



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4210

Introduced 1/14/2026, by Rep. Amy L. Grant

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5  
35 ILCS 110/3-5  
35 ILCS 115/3-5  
35 ILCS 120/2-5

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that certain supplies purchased by a day care center are exempt from the taxes imposed under those Acts. Effective immediately.

LRB104 16235 HLH 29619 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 3-5 as follows:

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use, which, on and after January 1,  
8 2025, includes use by a lessee, of the following tangible  
9 personal property is exempt from the tax imposed by this Act:

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

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

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

1 is 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 July 1, 2001 (the  
8 effective date of Public Act 92-35), however, an entity  
9 otherwise eligible for this exemption shall not make tax-free  
10 purchases unless it has an active identification number issued  
11 by the Department.

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

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

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

17           (7) Farm chemicals.

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

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

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

1 Act.

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

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

1 software, global positioning and mapping systems, and other  
2 such equipment.

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

10 Beginning on January 1, 2024, farm machinery and equipment  
11 also includes electrical power generation equipment used  
12 primarily for production agriculture.

13 This item (11) is exempt from the provisions of Section  
14 3-90.

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

22 Beginning July 1, 2013, fuel and petroleum products sold  
23 to or used by an air carrier, certified by the carrier to be  
24 used for consumption, shipment, or storage in the conduct of  
25 its business as an air common carrier, for a flight that (i) is  
26 engaged in foreign trade or is engaged in trade between the

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

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

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

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

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

3 (16) Until July 1, 2028, coal and aggregate exploration,  
4 mining, off-highway hauling, processing, maintenance, and  
5 reclamation equipment, including replacement parts and  
6 equipment, and including equipment purchased for lease, but  
7 excluding motor vehicles required to be registered under the  
8 Illinois Vehicle Code. The changes made to this Section by  
9 Public Act 97-767 apply on and after July 1, 2003, but no claim  
10 for credit or refund is allowed on or after August 16, 2013  
11 (the effective date of Public Act 98-456) for such taxes paid  
12 during the period beginning July 1, 2003 and ending on August  
13 16, 2013 (the effective date of Public Act 98-456).

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

20 (18) Manufacturing and assembling machinery and equipment  
21 used primarily in the process of manufacturing or assembling  
22 tangible personal property for wholesale or retail sale or  
23 lease, whether that sale or lease is made directly by the  
24 manufacturer or by some other person, whether the materials  
25 used in the process are owned by the manufacturer or some other  
26 person, or whether that sale or lease is made apart from or as

1 an incident to the seller's engaging in the service occupation  
2 of producing machines, tools, dies, jigs, patterns, gauges, or  
3 other similar items of no commercial value on special order  
4 for a particular purchaser. The exemption provided by this  
5 paragraph (18) includes production related tangible personal  
6 property, as defined in Section 3-50, purchased on or after  
7 July 1, 2019. The exemption provided by this paragraph (18)  
8 does not include machinery and equipment used in (i) the  
9 generation of electricity for wholesale or retail sale; (ii)  
10 the generation or treatment of natural or artificial gas for  
11 wholesale or retail sale that is delivered to customers  
12 through pipes, pipelines, or mains; or (iii) the treatment of  
13 water for wholesale or retail sale that is delivered to  
14 customers through pipes, pipelines, or mains. The provisions  
15 of Public Act 98-583 are declaratory of existing law as to the  
16 meaning and scope of this exemption. Beginning on July 1,  
17 2017, the exemption provided by this paragraph (18) includes,  
18 but is not limited to, graphic arts machinery and equipment,  
19 as defined in paragraph (6) of this Section.

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

25 (20) Semen used for artificial insemination of livestock  
26 for direct agricultural production.

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

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

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

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

1 lessor. If, however, that amount is not refunded to the lessee  
2 for any reason, the lessor is liable to pay that amount to the  
3 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  
7 for 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  
17 the performance of infrastructure repairs in this State,  
18 including, but not limited to, municipal roads and streets,  
19 access roads, bridges, sidewalks, waste disposal systems,  
20 water and sewer line extensions, water distribution and  
21 purification facilities, storm water drainage and retention  
22 facilities, and sewage treatment facilities, resulting from a  
23 State or federally declared disaster in Illinois or bordering  
24 Illinois when such repairs are initiated on facilities located  
25 in the declared disaster area within 6 months after the  
26 disaster.

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

5           (27) 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  
9           Department to be organized and operated exclusively for  
10          educational purposes. For purposes of this exemption, "a  
11          corporation, limited liability company, society, association,  
12          foundation, or institution organized and operated exclusively  
13          for educational purposes" means all tax-supported public  
14          schools, private schools that offer systematic instruction in  
15          useful branches of learning by methods common to public  
16          schools and that compare favorably in their scope and  
17          intensity with the course of study presented in tax-supported  
18          schools, and vocational or technical schools or institutes  
19          organized and operated exclusively to provide a course of  
20          study of not less than 6 weeks duration and designed to prepare  
21          individuals to follow a trade or to pursue a manual,  
22          technical, mechanical, industrial, business, or commercial  
23          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  
15 other items, and replacement parts for these machines.  
16 Beginning January 1, 2002 and through June 30, 2003, machines  
17 and parts for machines used in commercial, coin-operated  
18 amusement and vending business if a use or occupation tax is  
19 paid on the gross receipts derived from the use of the  
20 commercial, coin-operated amusement and vending machines. This  
21 paragraph is exempt from the provisions of Section 3-90.

22 (30) Beginning January 1, 2001 and through June 30, 2016,  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages,  
25 soft 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 ID/DD Community Care Act, the MC/DD Act, or the  
8 Specialized Mental Health Rehabilitation Act of 2013.

9 (31) Beginning on August 2, 2001 (the effective date of  
10 Public Act 92-227), computers and communications equipment  
11 utilized for any hospital purpose and equipment used in the  
12 diagnosis, analysis, or treatment of hospital patients  
13 purchased by a lessor who leases the equipment, under a lease  
14 of one year or longer executed or in effect at the time the  
15 lessor would otherwise be subject to the tax imposed by this  
16 Act, to a hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of  
18 the Retailers' Occupation Tax Act. If the equipment is leased  
19 in a manner that does not qualify for this exemption or is used  
20 in any other nonexempt manner, the lessor shall be liable for  
21 the tax imposed under this Act or the Service Use Tax Act, as  
22 the case may be, based on the fair market value of the property  
23 at the time the nonqualifying use occurs. No lessor shall  
24 collect or attempt to collect an amount (however designated)  
25 that purports to reimburse that lessor for the tax imposed by  
26 this Act or the Service Use Tax Act, as the case may be, if the

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

8 (32) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), personal property purchased by a lessor  
10 who leases the property, under a lease of one year or longer  
11 executed or in effect at the time the lessor would otherwise be  
12 subject to the tax imposed by this Act, to a governmental body  
13 that has been issued an active sales tax exemption  
14 identification number by the Department under Section 1g of  
15 the Retailers' Occupation Tax Act. If the property is leased  
16 in a manner that does not qualify for this exemption or used in  
17 any other nonexempt manner, the lessor shall be liable for the  
18 tax imposed under this Act or the Service Use Tax Act, as the  
19 case may be, based on the fair market value of the property at  
20 the time the nonqualifying use occurs. No lessor shall collect  
21 or attempt to collect an amount (however designated) that  
22 purports to reimburse that lessor for the tax imposed by this  
23 Act or the Service Use Tax Act, as the case may be, if the tax  
24 has not been paid by the lessor. If a lessor improperly  
25 collects any such amount from the lessee, the lessee shall  
26 have a legal right to claim a refund of that amount from the

1 lessor. If, however, that amount is not refunded to the lessee  
2 for any reason, the lessor is liable to pay that amount to the  
3 Department. This paragraph is exempt from the provisions of  
4 Section 3-90.

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

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

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued  
3 under Title IV of the Environmental Protection Act. This  
4 paragraph is exempt from the provisions of Section 3-90.

5 (35) Beginning January 1, 2010 and continuing through  
6 December 31, 2029, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft. However, until January 1, 2024, this  
13 exemption excludes any materials, parts, equipment,  
14 components, and consumable supplies used in the modification,  
15 replacement, repair, and maintenance of aircraft engines or  
16 power plants, whether such engines or power plants are  
17 installed or uninstalled upon any such aircraft. "Consumable  
18 supplies" include, but are not limited to, adhesive, tape,  
19 sandpaper, general purpose lubricants, cleaning solution,  
20 latex gloves, and protective films.

21 Beginning January 1, 2010 and continuing through December  
22 31, 2023, this exemption applies only to the use of qualifying  
23 tangible personal property by persons who modify, refurbish,  
24 complete, repair, replace, or maintain aircraft and who (i)  
25 hold an Air Agency Certificate and are empowered to operate an  
26 approved repair station by the Federal Aviation

1 Administration, (ii) have a Class IV Rating, and (iii) conduct  
2 operations in accordance with Part 145 of the Federal Aviation  
3 Regulations. From January 1, 2024 through December 31, 2029,  
4 this exemption applies only to the use of qualifying tangible  
5 personal property by: (A) persons who modify, refurbish,  
6 complete, repair, replace, or maintain aircraft and who (i)  
7 hold an Air Agency Certificate and are empowered to operate an  
8 approved repair station by the Federal Aviation  
9 Administration, (ii) have a Class IV Rating, and (iii) conduct  
10 operations in accordance with Part 145 of the Federal Aviation  
11 Regulations; and (B) persons who engage in the modification,  
12 replacement, repair, and maintenance of aircraft engines or  
13 power plants without regard to whether or not those persons  
14 meet the qualifications of item (A).

15 The exemption does not include aircraft operated by a  
16 commercial air carrier providing scheduled passenger air  
17 service pursuant to authority issued under Part 121 or Part  
18 129 of the Federal Aviation Regulations. The changes made to  
19 this paragraph (35) by Public Act 98-534 are declarative of  
20 existing law. It is the intent of the General Assembly that the  
21 exemption under this paragraph (35) applies continuously from  
22 January 1, 2010 through December 31, 2024; however, no claim  
23 for credit or refund is allowed for taxes paid as a result of  
24 the disallowance of this exemption on or after January 1, 2015  
25 and prior to February 5, 2020 (the effective date of Public Act  
26 101-629).

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  
10 instruments issued by the public-facilities corporation in  
11 connection with the development of the municipal convention  
12 hall. This exemption includes existing public-facilities  
13 corporations as provided in Section 11-65-25 of the Illinois  
14 Municipal Code. This paragraph is exempt from the provisions  
15 of Section 3-90.

16           (37) Beginning January 1, 2017 and through December 31,  
17 2026, menstrual pads, tampons, and menstrual cups.

18           (38) Merchandise that is subject to the Rental Purchase  
19 Agreement Occupation and Use Tax. The purchaser must certify  
20 that the item is purchased to be rented subject to a  
21 rental-purchase agreement, as defined in the Rental-Purchase  
22 Agreement Act, and provide proof of registration under the  
23 Rental Purchase Agreement Occupation and Use Tax Act. This  
24 paragraph is exempt from the provisions of Section 3-90.

25           (39) Tangible personal property purchased by a purchaser  
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of  
2 Section 3-90.

3 (40) Qualified tangible personal property used in the  
4 construction or operation of a data center that has been  
5 granted a certificate of exemption by the Department of  
6 Commerce and Economic Opportunity, whether that tangible  
7 personal property is purchased by the owner, operator, or  
8 tenant of the data center or by a contractor or subcontractor  
9 of the owner, operator, or tenant. Data centers that would  
10 have qualified for a certificate of exemption prior to January  
11 1, 2020 had Public Act 101-31 been in effect may apply for and  
12 obtain an exemption for subsequent purchases of computer  
13 equipment or enabling software purchased or leased to upgrade,  
14 supplement, or replace computer equipment or enabling software  
15 purchased or leased in the original investment that would have  
16 qualified.

17 The Department of Commerce and Economic Opportunity shall  
18 grant a certificate of exemption under this item (40) to  
19 qualified data centers as defined by Section 605-1025 of the  
20 Department of Commerce and Economic Opportunity Law of the  
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of  
24 buildings rehabilitated or constructed to house working  
25 servers in one physical location or multiple sites within  
26 the State of Illinois.

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

1 Economic Opportunity.

2 This item (40) is exempt from the provisions of Section  
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump  
5 collection and storage supplies, and breast pump kits. This  
6 item (41) is exempt from the provisions of Section 3-90. As  
7 used in this item (41):

8 "Breast pump" means an electrically controlled or  
9 manually controlled pump device designed or marketed to be  
10 used to express milk from a human breast during lactation,  
11 including the pump device and any battery, AC adapter, or  
12 other power supply unit that is used to power the pump  
13 device and is packaged and sold with the pump device at the  
14 time of sale.

15 "Breast pump collection and storage supplies" means  
16 items of tangible personal property designed or marketed  
17 to be used in conjunction with a breast pump to collect  
18 milk expressed from a human breast and to store collected  
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"  
21 includes, but is not limited to: breast shields and breast  
22 shield connectors; breast pump tubes and tubing adapters;  
23 breast pump valves and membranes; backflow protectors and  
24 backflow protector adaptors; bottles and bottle caps  
25 specific to the operation of the breast pump; and breast  
26 milk storage bags.

1           "Breast pump collection and storage supplies" does not  
2           include: (1) bottles and bottle caps not specific to the  
3           operation of the breast pump; (2) breast pump travel bags  
4           and other similar carrying accessories, including ice  
5           packs, labels, and other similar products; (3) breast pump  
6           cleaning supplies; (4) nursing bras, bra pads, breast  
7           shells, and other similar products; and (5) creams,  
8           ointments, and other similar products that relieve  
9           breastfeeding-related symptoms or conditions of the  
10          breasts or nipples, unless sold as part of a breast pump  
11          kit that is pre-packaged by the breast pump manufacturer  
12          or distributor.

13          "Breast pump kit" means a kit that: (1) contains no  
14          more than a breast pump, breast pump collection and  
15          storage supplies, a rechargeable battery for operating the  
16          breast pump, a breastmilk cooler, bottle stands, ice  
17          packs, and a breast pump carrying case; and (2) is  
18          pre-packaged as a breast pump kit by the breast pump  
19          manufacturer or distributor.

20          (42) Tangible personal property sold by or on behalf of  
21          the State Treasurer pursuant to the Revised Uniform Unclaimed  
22          Property Act. This item (42) is exempt from the provisions of  
23          Section 3-90.

24          (43) Beginning on January 1, 2024, tangible personal  
25          property purchased by an active duty member of the armed  
26          forces of the United States who presents valid military

1 identification and purchases the property using a form of  
2 payment where the federal government is the payor. The member  
3 of the armed forces must complete, at the point of sale, a form  
4 prescribed by the Department of Revenue documenting that the  
5 transaction is eligible for the exemption under this  
6 paragraph. Retailers must keep the form as documentation of  
7 the exemption in their records for a period of not less than 6  
8 years. "Armed forces of the United States" means the United  
9 States Army, Navy, Air Force, Space Force, Marine Corps, or  
10 Coast Guard. This paragraph is exempt from the provisions of  
11 Section 3-90.

12 (44) Beginning July 1, 2024, home-delivered meals provided  
13 to Medicare or Medicaid recipients when payment is made by an  
14 intermediary, such as a Medicare Administrative Contractor, a  
15 Managed Care Organization, or a Medicare Advantage  
16 Organization, pursuant to a government contract. This item  
17 (44) is exempt from the provisions of Section 3-90.

18 (45) Beginning on January 1, 2026, as further defined in  
19 Section 3-10, food for human consumption that is to be  
20 consumed off the premises where it is sold (other than  
21 alcoholic beverages, food consisting of or infused with adult  
22 use cannabis, soft drinks, candy, and food that has been  
23 prepared for immediate consumption). This item (45) is exempt  
24 from the provisions of Section 3-90.

25 (46) Use by the lessee of the following leased tangible  
26 personal property:

1           (1) software transferred subject to a license that  
2       meets the following requirements:

3           (A) it is evidenced by a written agreement signed  
4       by the licensor and the customer;

5               (i) an electronic agreement in which the  
6               customer accepts the license by means of an  
7               electronic signature that is verifiable and can be  
8               authenticated and is attached to or made part of  
9               the license will comply with this requirement;

10               (ii) a license agreement in which the customer  
11               electronically accepts the terms by clicking "I  
12               agree" does not comply with this requirement;

13           (B) it restricts the customer's duplication and  
14       use of the software;

15           (C) it prohibits the customer from licensing,  
16       sublicensing, or transferring the software to a third  
17       party (except to a related party) without the  
18       permission and continued control of the licensor;

19           (D) the licensor has a policy of providing another  
20       copy at minimal or no charge if the customer loses or  
21       damages the software, or of permitting the licensee to  
22       make and keep an archival copy, and such policy is  
23       either stated in the license agreement, supported by  
24       the licensor's books and records, or supported by a  
25       notarized statement made under penalties of perjury by  
26       the licensor; and

1 (E) the customer must destroy or return all copies  
2 of the software to the licensor at the end of the  
3 license period; this provision is deemed to be met, in  
4 the case of a perpetual license, without being set  
5 forth in the license agreement; and

6 (2) property that is subject to a tax on lease  
7 receipts imposed by a home rule unit of local government  
8 if the ordinance imposing that tax was adopted prior to  
9 January 1, 2023.

10 (47) On and after January 1, 2027, essential supplies  
11 purchased by a day care center that has been granted a  
12 certificate of exemption by the Department. The Department of  
13 Children and Family Services may share information with the  
14 Department of Revenue for the purpose of administering the  
15 provisions of this exemption. This item (47) is exempt from  
16 the provisions of Section 3-90.

17 As used in this item (47):

18 "Day care center" has the meaning given to that term in  
19 Section 2.09 of the Child Care Act of 1969.

20 "Essential supplies" means items designated, by rule, as  
21 essential supplies by the Department of Children and Family  
22 Services, including, but not limited to: food and beverages to  
23 be consumed by a child as a snack or meal at the day care  
24 center, including, but not limited to, fruits and vegetables,  
25 whole grains, proteins, water, and reduced fat or skim milk;  
26 diapers; wipes; first aid kits; smoke detectors; nap mats; and

1 soap and hand sanitizer.

2 (Source: P.A. 103-9, Article 5, Section 5-5, eff. 6-7-23;  
3 103-9, Article 15, Section 15-5, eff. 6-7-23; 103-154, eff.  
4 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
5 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
6 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

7 Section 10. The Service Use Tax Act is amended by changing  
8 Section 3-5 as follows:

9 (35 ILCS 110/3-5)

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

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

19 (2) Personal property purchased by a non-profit Illinois  
20 county fair association for use in conducting, operating, or  
21 promoting the county fair.

22 (3) Personal property purchased by a not-for-profit arts  
23 or cultural organization that establishes, by proof required  
24 by the Department by rule, that it has received an exemption

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

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

17 (5) Until July 1, 2003 and beginning again on September 1,  
18 2004 through August 30, 2014, graphic arts machinery and  
19 equipment, including repair and replacement parts, both new  
20 and used, and including that manufactured on special order or  
21 purchased for lease, certified by the purchaser to be used  
22 primarily for graphic arts production. Equipment includes  
23 chemicals or chemicals acting as catalysts but only if the  
24 chemicals or chemicals acting as catalysts effect a direct and  
25 immediate change upon a graphic arts product. Beginning on  
26 July 1, 2017, graphic arts machinery and equipment is included

1 in the manufacturing and assembling machinery and equipment  
2 exemption under Section 2 of this Act.

3 (6) Personal property purchased from a teacher-sponsored  
4 student organization affiliated with an elementary or  
5 secondary school located in Illinois.

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

25 Farm machinery and equipment shall include precision  
26 farming equipment that is installed or purchased to be

1 installed on farm machinery and equipment, including, but not  
2 limited to, tractors, harvesters, sprayers, planters, seeders,  
3 or spreaders. Precision farming equipment includes, but is not  
4 limited to, soil testing sensors, computers, monitors,  
5 software, global positioning and mapping systems, and other  
6 such equipment.

7 Farm machinery and equipment also includes computers,  
8 sensors, software, and related equipment used primarily in the  
9 computer-assisted operation of production agriculture  
10 facilities, equipment, and activities such as, but not limited  
11 to, the collection, monitoring, and correlation of animal and  
12 crop data for the purpose of formulating animal diets and  
13 agricultural chemicals.

14 Beginning on January 1, 2024, farm machinery and equipment  
15 also includes electrical power generation equipment used  
16 primarily for production agriculture.

17 This item (7) is exempt from the provisions of Section  
18 3-75.

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

26 Beginning July 1, 2013, fuel and petroleum products sold

1 to or used by an air carrier, certified by the carrier to be  
2 used for consumption, shipment, or storage in the conduct of  
3 its business as an air common carrier, for a flight that (i) is  
4 engaged in foreign trade or is engaged in trade between the  
5 United States and any of its possessions and (ii) transports  
6 at least one individual or package for hire from the city of  
7 origination to the city of final destination on the same  
8 aircraft, without regard to a change in the flight number of  
9 that aircraft.

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

19 (10) Until July 1, 2003, oil field exploration, drilling,  
20 and production equipment, including (i) rigs and parts of  
21 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
22 pipe and tubular goods, including casing and drill strings,  
23 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
24 lines, (v) any individual replacement part for oil field  
25 exploration, drilling, and production equipment, and (vi)  
26 machinery and equipment purchased for lease; but excluding

1 motor vehicles required to be registered under the Illinois  
2 Vehicle Code.

3 (11) Proceeds from the sale of photoprocessing machinery  
4 and equipment, including repair and replacement parts, both  
5 new and used, including that manufactured on special order,  
6 certified by the purchaser to be used primarily for  
7 photoprocessing, and including photoprocessing machinery and  
8 equipment purchased for lease.

9 (12) Until July 1, 2028, coal and aggregate exploration,  
10 mining, off-highway hauling, processing, maintenance, and  
11 reclamation equipment, including replacement parts and  
12 equipment, and including equipment purchased for lease, but  
13 excluding motor vehicles required to be registered under the  
14 Illinois Vehicle Code. The changes made to this Section by  
15 Public Act 97-767 apply on and after July 1, 2003, but no claim  
16 for credit or refund is allowed on or after August 16, 2013  
17 (the effective date of Public Act 98-456) for such taxes paid  
18 during the period beginning July 1, 2003 and ending on August  
19 16, 2013 (the effective date of Public Act 98-456).

20 (13) Semen used for artificial insemination of livestock  
21 for direct agricultural production.

22 (14) Horses, or interests in horses, registered with and  
23 meeting the requirements of any of the Arabian Horse Club  
24 Registry of America, Appaloosa Horse Club, American Quarter  
25 Horse Association, United States Trotting Association, or  
26 Jockey Club, as appropriate, used for purposes of breeding or

1 racing for prizes. This item (14) is exempt from the  
2 provisions of Section 3-75, and the exemption provided for  
3 under this item (14) applies for all periods beginning May 30,  
4 1995, but no claim for credit or refund is allowed on or after  
5 January 1, 2008 (the effective date of Public Act 95-88) for  
6 such taxes paid during the period beginning May 30, 2000 and  
7 ending on January 1, 2008 (the effective date of Public Act  
8 95-88).

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

1 such amount from the lessee, the lessee shall have a legal  
2 right to claim a refund of that amount from the lessor. If,  
3 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.

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

26 (17) Beginning with taxable years ending on or after

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

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

23 (19) Beginning July 1, 1999, game or game birds purchased  
24 at a "game breeding and hunting preserve area" as that term is  
25 used in the Wildlife Code. This paragraph is exempt from the  
26 provisions of Section 3-75.

1           (20) A motor vehicle, as that term is defined in Section  
2   1-146 of the Illinois Vehicle Code, that is donated to a  
3   corporation, limited liability company, society, association,  
4   foundation, or institution that is determined by the  
5   Department to be organized and operated exclusively for  
6   educational purposes. For purposes of this exemption, "a  
7   corporation, limited liability company, society, association,  
8   foundation, or institution organized and operated exclusively  
9   for educational purposes" means all tax-supported public  
10  schools, private schools that offer systematic instruction in  
11  useful branches of learning by methods common to public  
12  schools and that compare favorably in their scope and  
13  intensity with the course of study presented in tax-supported  
14  schools, and vocational or technical schools or institutes  
15  organized and operated exclusively to provide a course of  
16  study of not less than 6 weeks duration and designed to prepare  
17  individuals to follow a trade or to pursue a manual,  
18  technical, mechanical, industrial, business, or commercial  
19  occupation.

20          (21) Beginning January 1, 2000, personal property,  
21  including food, purchased through fundraising events for the  
22  benefit of a public or private elementary or secondary school,  
23  a group of those schools, or one or more school districts if  
24  the events are sponsored by an entity recognized by the school  
25  district that consists primarily of volunteers and includes  
26  parents and teachers of the school children. This paragraph

1 does not apply to fundraising events (i) for the benefit of  
2 private home instruction or (ii) for which the fundraising  
3 entity purchases the personal property sold at the events from  
4 another individual or entity that sold the property for the  
5 purpose of resale by the fundraising entity and that profits  
6 from the sale to the fundraising entity. This paragraph is  
7 exempt from the provisions of Section 3-75.

8 (22) Beginning January 1, 2000 and through December 31,  
9 2001, new or used automatic vending machines that prepare and  
10 serve hot food and beverages, including coffee, soup, and  
11 other items, and replacement parts for these machines.  
12 Beginning January 1, 2002 and through June 30, 2003, machines  
13 and parts for machines used in commercial, coin-operated  
14 amusement and vending business if a use or occupation tax is  
15 paid on the gross receipts derived from the use of the  
16 commercial, coin-operated amusement and vending machines. This  
17 paragraph is exempt from the provisions of Section 3-75.

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

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

5 (24) Beginning on August 2, 2001 (the effective date of  
6 Public Act 92-227), computers and communications equipment  
7 utilized for any hospital purpose and equipment used in the  
8 diagnosis, analysis, or treatment of hospital patients  
9 purchased by a lessor who leases the equipment, under a lease  
10 of one year or longer executed or in effect at the time the  
11 lessor would otherwise be subject to the tax imposed by this  
12 Act, to a hospital that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of  
14 the Retailers' Occupation Tax Act. If the equipment is leased  
15 in a manner that does not qualify for this exemption or is used  
16 in any other nonexempt manner, the lessor shall be liable for  
17 the tax imposed under this Act or the Use Tax Act, as the case  
18 may be, based on the fair market value of the property at the  
19 time the nonqualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Use Tax Act, as the case may be, if the tax has not  
23 been paid by the lessor. If a lessor improperly collects any  
24 such amount from the lessee, the lessee shall have a legal  
25 right to claim a refund of that amount from the lessor. If,  
26 however, that amount is not refunded to the lessee for any

1 reason, the lessor is liable to pay that amount to the  
2 Department. This paragraph is exempt from the provisions of  
3 Section 3-75.

4 (25) Beginning on August 2, 2001 (the effective date of  
5 Public Act 92-227), personal property purchased by a lessor  
6 who leases the property, under a lease of one year or longer  
7 executed or in effect at the time the lessor would otherwise be  
8 subject to the tax imposed by this Act, to a governmental body  
9 that has been issued an active tax exemption identification  
10 number by the Department under Section 1g of the Retailers'  
11 Occupation Tax Act. If the property is leased in a manner that  
12 does not qualify for this exemption or is used in any other  
13 nonexempt manner, the lessor shall be liable for the tax  
14 imposed under this Act or the Use Tax Act, as the case may be,  
15 based on the fair market value of the property at the time the  
16 nonqualifying use occurs. No lessor shall collect or attempt  
17 to collect an amount (however designated) that purports to  
18 reimburse that lessor for the tax imposed by this Act or the  
19 Use Tax Act, as the case may be, if the tax has not been paid  
20 by the lessor. If a lessor improperly collects any such amount  
21 from the lessee, the lessee shall have a legal right to claim a  
22 refund of that amount from the lessor. If, however, that  
23 amount is not refunded to the lessee for any reason, the lessor  
24 is liable to pay that amount to the Department. This paragraph  
25 is exempt from the provisions of Section 3-75.

26 (26) Beginning January 1, 2008, tangible personal property

1 used in the construction or maintenance of a community water  
2 supply, as defined under Section 3.145 of the Environmental  
3 Protection Act, that is operated by a not-for-profit  
4 corporation that holds a valid water supply permit issued  
5 under Title IV of the Environmental Protection Act. This  
6 paragraph is exempt from the provisions of Section 3-75.

7 (27) Beginning January 1, 2010 and continuing through  
8 December 31, 2029, materials, parts, equipment, components,  
9 and furnishings incorporated into or upon an aircraft as part  
10 of the modification, refurbishment, completion, replacement,  
11 repair, or maintenance of the aircraft. This exemption  
12 includes consumable supplies used in the modification,  
13 refurbishment, completion, replacement, repair, and  
14 maintenance of aircraft. However, until January 1, 2024, this  
15 exemption excludes any materials, parts, equipment,  
16 components, and consumable supplies used in the modification,  
17 replacement, repair, and maintenance of aircraft engines or  
18 power plants, whether such engines or power plants are  
19 installed or uninstalled upon any such aircraft. "Consumable  
20 supplies" include, but are not limited to, adhesive, tape,  
21 sandpaper, general purpose lubricants, cleaning solution,  
22 latex gloves, and protective films.

23 Beginning January 1, 2010 and continuing through December  
24 31, 2023, this exemption applies only to the use of qualifying  
25 tangible personal property transferred incident to the  
26 modification, refurbishment, completion, replacement, repair,

1 or maintenance of aircraft by persons who (i) hold an Air  
2 Agency Certificate and are empowered to operate an approved  
3 repair station by the Federal Aviation Administration, (ii)  
4 have a Class IV Rating, and (iii) conduct operations in  
5 accordance with Part 145 of the Federal Aviation Regulations.  
6 From January 1, 2024 through December 31, 2029, this exemption  
7 applies only to the use of qualifying tangible personal  
8 property transferred incident to: (A) the modification,  
9 refurbishment, completion, repair, replacement, or maintenance  
10 of an aircraft by persons who (i) hold an Air Agency  
11 Certificate and are empowered to operate an approved repair  
12 station by the Federal Aviation Administration, (ii) have a  
13 Class IV Rating, and (iii) conduct operations in accordance  
14 with Part 145 of the Federal Aviation Regulations; and (B) the  
15 modification, replacement, repair, and maintenance of aircraft  
16 engines or power plants without regard to whether or not those  
17 persons meet the qualifications of item (A).

18 The exemption does not include aircraft operated by a  
19 commercial air carrier providing scheduled passenger air  
20 service pursuant to authority issued under Part 121 or Part  
21 129 of the Federal Aviation Regulations. The changes made to  
22 this paragraph (27) by Public Act 98-534 are declarative of  
23 existing law. It is the intent of the General Assembly that the  
24 exemption under this paragraph (27) applies continuously from  
25 January 1, 2010 through December 31, 2024; however, no claim  
26 for credit or refund is allowed for taxes paid as a result of

1 the disallowance of this exemption on or after January 1, 2015  
2 and prior to February 5, 2020 (the effective date of Public Act  
3 101-629).

4 (28) Tangible personal property purchased by a  
5 public-facilities corporation, as described in Section  
6 11-65-10 of the Illinois Municipal Code, for purposes of  
7 constructing or furnishing a municipal convention hall, but  
8 only if the legal title to the municipal convention hall is  
9 transferred to the municipality without any further  
10 consideration by or on behalf of the municipality at the time  
11 of the completion of the municipal convention hall or upon the  
12 retirement or redemption of any bonds or other debt  
13 instruments issued by the public-facilities corporation in  
14 connection with the development of the municipal convention  
15 hall. This exemption includes existing public-facilities  
16 corporations as provided in Section 11-65-25 of the Illinois  
17 Municipal Code. This paragraph is exempt from the provisions  
18 of Section 3-75.

19 (29) Beginning January 1, 2017 and through December 31,  
20 2026, menstrual pads, tampons, and menstrual cups.

21 (30) Tangible personal property transferred to a purchaser  
22 who is exempt from the tax imposed by this Act by operation of  
23 federal law. This paragraph is exempt from the provisions of  
24 Section 3-75.

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

1 granted a certificate of exemption by the Department of  
2 Commerce and Economic Opportunity, whether that tangible  
3 personal property is purchased by the owner, operator, or  
4 tenant of the data center or by a contractor or subcontractor  
5 of the owner, operator, or tenant. Data centers that would  
6 have qualified for a certificate of exemption prior to January  
7 1, 2020 had Public Act 101-31 been in effect, may apply for and  
8 obtain an exemption for subsequent purchases of computer  
9 equipment or enabling software purchased or leased to upgrade,  
10 supplement, or replace computer equipment or enabling software  
11 purchased or leased in the original investment that would have  
12 qualified.

13 The Department of Commerce and Economic Opportunity shall  
14 grant a certificate of exemption under this item (31) to  
15 qualified data centers as defined by Section 605-1025 of the  
16 Department of Commerce and Economic Opportunity Law of the  
17 Civil Administrative Code of Illinois.

18 For the purposes of this item (31):

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

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

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

24 This item (31) is exempt from the provisions of Section  
25 3-75.

26 (32) Beginning July 1, 2022, breast pumps, breast pump

1 collection and storage supplies, and breast pump kits. This  
2 item (32) is exempt from the provisions of Section 3-75. As  
3 used in this item (32):

4 "Breast pump" means an electrically controlled or  
5 manually controlled pump device designed or marketed to be  
6 used to express milk from a human breast during lactation,  
7 including the pump device and any battery, AC adapter, or  
8 other power supply unit that is used to power the pump  
9 device and is packaged and sold with the pump device at the  
10 time of sale.

11 "Breast pump collection and storage supplies" means  
12 items of tangible personal property designed or marketed  
13 to be used in conjunction with a breast pump to collect  
14 milk expressed from a human breast and to store collected  
15 milk until it is ready for consumption.

16 "Breast pump collection and storage supplies"  
17 includes, but is not limited to: breast shields and breast  
18 shield connectors; breast pump tubes and tubing adapters;  
19 breast pump valves and membranes; backflow protectors and  
20 backflow protector adaptors; bottles and bottle caps  
21 specific to the operation of the breast pump; and breast  
22 milk storage bags.

23 "Breast pump collection and storage supplies" does not  
24 include: (1) bottles and bottle caps not specific to the  
25 operation of the breast pump; (2) breast pump travel bags  
26 and other similar carrying accessories, including ice

1 packs, labels, and other similar products; (3) breast pump  
2 cleaning supplies; (4) nursing bras, bra pads, breast  
3 shells, and other similar products; and (5) creams,  
4 ointments, and other similar products that relieve  
5 breastfeeding-related symptoms or conditions of the  
6 breasts or nipples, unless sold as part of a breast pump  
7 kit that is pre-packaged by the breast pump manufacturer  
8 or distributor.

9 "Breast pump kit" means a kit that: (1) contains no  
10 more than a breast pump, breast pump collection and  
11 storage supplies, a rechargeable battery for operating the  
12 breast pump, a breastmilk cooler, bottle stands, ice  
13 packs, and a breast pump carrying case; and (2) is  
14 pre-packaged as a breast pump kit by the breast pump  
15 manufacturer or distributor.

16 (33) Tangible personal property sold by or on behalf of  
17 the State Treasurer pursuant to the Revised Uniform Unclaimed  
18 Property Act. This item (33) is exempt from the provisions of  
19 Section 3-75.

20 (34) Beginning on January 1, 2024, tangible personal  
21 property purchased by an active duty member of the armed  
22 forces of the United States who presents valid military  
23 identification and purchases the property using a form of  
24 payment where the federal government is the payor. The member  
25 of the armed forces must complete, at the point of sale, a form  
26 prescribed by the Department of Revenue documenting that the

1 transaction is eligible for the exemption under this  
2 paragraph. Retailers must keep the form as documentation of  
3 the exemption in their records for a period of not less than 6  
4 years. "Armed forces of the United States" means the United  
5 States Army, Navy, Air Force, Space Force, Marine Corps, or  
6 Coast Guard. This paragraph is exempt from the provisions of  
7 Section 3-75.

8 (35) Beginning July 1, 2024, home-delivered meals provided  
9 to Medicare or Medicaid recipients when payment is made by an  
10 intermediary, such as a Medicare Administrative Contractor, a  
11 Managed Care Organization, or a Medicare Advantage  
12 Organization, pursuant to a government contract. This  
13 paragraph (35) is exempt from the provisions of Section 3-75.

14 (36) Beginning on January 1, 2026, as further defined in  
15 Section 3-10, food prepared for immediate consumption and  
16 transferred incident to a sale of service subject to this Act  
17 or the Service Occupation Tax Act by an entity licensed under  
18 the Hospital Licensing Act, the Nursing Home Care Act, the  
19 Assisted Living and Shared Housing Act, the ID/DD Community  
20 Care Act, the MC/DD Act, the Specialized Mental Health  
21 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by  
22 an entity that holds a permit issued pursuant to the Life Care  
23 Facilities Act. This item (36) is exempt from the provisions  
24 of Section 3-75.

25 (37) Beginning on January 1, 2026, as further defined in  
26 Section 3-10, food for human consumption that is to be

1 consumed off the premises where it is sold (other than  
2 alcoholic beverages, food consisting of or infused with adult  
3 use cannabis, soft drinks, candy, and food that has been  
4 prepared for immediate consumption). This item (37) is exempt  
5 from the provisions of Section 3-75.

6 (38) Use by a lessee of the following leased tangible  
7 personal property:

8 (1) software transferred subject to a license that  
9 meets the following requirements:

10 (A) it is evidenced by a written agreement signed  
11 by the licensor and the customer;

12 (i) an electronic agreement in which the  
13 customer accepts the license by means of an  
14 electronic signature that is verifiable and can be  
15 authenticated and is attached to or made part of  
16 the license will comply with this requirement;

17 (ii) a license agreement in which the customer  
18 electronically accepts the terms by clicking "I  
19 agree" does not comply with this requirement;

20 (B) it restricts the customer's duplication and  
21 use of the software;

22 (C) it prohibits the customer from licensing,  
23 sublicensing, or transferring the software to a third  
24 party (except to a related party) without the  
25 permission and continued control of the licensor;

26 (D) the licensor has a policy of providing another

1 copy at minimal or no charge if the customer loses or  
2 damages the software, or of permitting the licensee to  
3 make and keep an archival copy, and such policy is  
4 either stated in the license agreement, supported by  
5 the licensor's books and records, or supported by a  
6 notarized statement made under penalties of perjury by  
7 the licensor; and

8 (E) the customer must destroy or return all copies  
9 of the software to the licensor at the end of the  
10 license period; this provision is deemed to be met, in  
11 the case of a perpetual license, without being set  
12 forth in the license agreement; and

13 (2) property that is subject to a tax on lease  
14 receipts imposed by a home rule unit of local government  
15 if the ordinance imposing that tax was adopted prior to  
16 January 1, 2023.

17 (39) On and after January 1, 2027, essential supplies  
18 purchased by a day care center that has been granted a  
19 certificate of exemption by the Department. The Department of  
20 Children and Family Services may share information with the  
21 Department of Revenue for the purpose of administering the  
22 provisions of this exemption. This item (39) is exempt from  
23 the provisions of Section 3-75.

24 As used in this item (39):

25 "Day care center" has the meaning given to that term in  
26 Section 2.09 of the Child Care Act of 1969.

1       "Essential supplies" means items designated, by rule, as  
2       essential supplies by the Department of Children and Family  
3       Services, including, but not limited to: food and beverages to  
4       be consumed by a child as a snack or meal at the day care  
5       center, including, but not limited to, fruits and vegetables,  
6       whole grains, proteins, water, and reduced fat or skim milk;  
7       diapers; wipes; first aid kits; smoke detectors; nap mats; and  
8       soap and hand sanitizer.

9       (Source: P.A. 103-9, Article 5, Section 5-10, eff. 6-7-23;  
10      103-9, Article 15, Section 15-10, eff. 6-7-23; 103-154, eff.  
11      6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
12      eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
13      103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.  
14      8-15-25.)

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

17           (35 ILCS 115/3-5)

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

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

1 property was not purchased by the enterprise for the purpose  
2 of resale by the enterprise.

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

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

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

25 (5) Until July 1, 2003 and beginning again on September 1,  
26 2004 through August 30, 2014, graphic arts machinery and

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

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

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

1 overwintering plants shall be considered farm machinery and  
2 equipment under this item (7). Agricultural chemical tender  
3 tanks and dry boxes shall include units sold separately from a  
4 motor vehicle required to be licensed and units sold mounted  
5 on a motor vehicle required to be licensed if the selling price  
6 of the tender is separately stated.

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

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

22 Beginning on January 1, 2024, farm machinery and equipment  
23 also includes electrical power generation equipment used  
24 primarily for production agriculture.

25 This item (7) is exempt from the provisions of Section  
26 3-55.

1           (8) Until June 30, 2013, fuel and petroleum products sold  
2 to or used by an air common carrier, certified by the carrier  
3 to be used for consumption, shipment, or storage in the  
4 conduct of its business as an air common carrier, for a flight  
5 destined for or returning from a location or locations outside  
6 the United States without regard to previous or subsequent  
7 domestic stopovers.

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

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

26           (10) Until July 1, 2003, oil field exploration, drilling,

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

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

15 (12) Until July 1, 2028, coal and aggregate exploration,  
16 mining, off-highway hauling, processing, maintenance, and  
17 reclamation equipment, including replacement parts and  
18 equipment, and including equipment purchased for lease, but  
19 excluding motor vehicles required to be registered under the  
20 Illinois Vehicle Code. The changes made to this Section by  
21 Public Act 97-767 apply on and after July 1, 2003, but no claim  
22 for credit or refund is allowed on or after August 16, 2013  
23 (the effective date of Public Act 98-456) for such taxes paid  
24 during the period beginning July 1, 2003 and ending on August  
25 16, 2013 (the effective date of Public Act 98-456).

26 (13) Beginning January 1, 1992 and through June 30, 2016,

1 food for human consumption that is to be consumed off the  
2 premises where it is sold (other than alcoholic beverages,  
3 soft drinks and food that has been prepared for immediate  
4 consumption) and prescription and non-prescription medicines,  
5 drugs, medical appliances, and insulin, urine testing  
6 materials, syringes, and needles used by diabetics, for human  
7 use, when purchased for use by a person receiving medical  
8 assistance under Article V of the Illinois Public Aid Code who  
9 resides in a licensed long-term care facility, as defined in  
10 the Nursing Home Care Act, or in a licensed facility as defined  
11 in the ID/DD Community Care Act, the MC/DD Act, or the  
12 Specialized Mental Health Rehabilitation Act of 2013.

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

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

1 95-88).

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

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

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

26 (19) Beginning with taxable years ending on or after

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

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

17 (21) A motor vehicle, as that term is defined in Section  
18 1-146 of the Illinois Vehicle Code, that is donated to a  
19 corporation, limited liability company, society, association,  
20 foundation, or institution that is determined by the  
21 Department to be organized and operated exclusively for  
22 educational purposes. For purposes of this exemption, "a  
23 corporation, limited liability company, society, association,  
24 foundation, or institution organized and operated exclusively  
25 for educational purposes" means all tax-supported public  
26 schools, private schools that offer systematic instruction in

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

10 (22) Beginning January 1, 2000, personal property,  
11 including food, purchased through fundraising events for the  
12 benefit of a public or private elementary or secondary school,  
13 a group of those schools, or one or more school districts if  
14 the events are sponsored by an entity recognized by the school  
15 district that consists primarily of volunteers and includes  
16 parents and teachers of the school children. This paragraph  
17 does not apply to fundraising events (i) for the benefit of  
18 private home instruction or (ii) for which the fundraising  
19 entity purchases the personal property sold at the events from  
20 another individual or entity that sold the property for the  
21 purpose of resale by the fundraising entity and that profits  
22 from the sale to the fundraising entity. This paragraph is  
23 exempt from the provisions of Section 3-55.

24 (23) Beginning January 1, 2000 and through December 31,  
25 2001, new or used automatic vending machines that prepare and  
26 serve hot food and beverages, including coffee, soup, and

1 other items, and replacement parts for these machines.  
2 Beginning January 1, 2002 and through June 30, 2003, machines  
3 and parts for machines used in commercial, coin-operated  
4 amusement and vending business if a use or occupation tax is  
5 paid on the gross receipts derived from the use of the  
6 commercial, coin-operated amusement and vending machines. This  
7 paragraph is exempt from the provisions of Section 3-55.

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

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

26 (26) Beginning on January 1, 2002 and through June 30,

1 2016, tangible personal property purchased from an Illinois  
2 retailer by a taxpayer engaged in centralized purchasing  
3 activities in Illinois who will, upon receipt of the property  
4 in Illinois, temporarily store the property in Illinois (i)  
5 for the purpose of subsequently transporting it outside this  
6 State for use or consumption thereafter solely outside this  
7 State or (ii) for the purpose of being processed, fabricated,  
8 or manufactured into, attached to, or incorporated into other  
9 tangible personal property to be transported outside this  
10 State and thereafter used or consumed solely outside this  
11 State. The Director of Revenue shall, pursuant to rules  
12 adopted in accordance with the Illinois Administrative  
13 Procedure Act, issue a permit to any taxpayer in good standing  
14 with the Department who is eligible for the exemption under  
15 this paragraph (26). The permit issued under this paragraph  
16 (26) shall authorize the holder, to the extent and in the  
17 manner specified in the rules adopted under this Act, to  
18 purchase tangible personal property from a retailer exempt  
19 from the taxes imposed by this Act. Taxpayers shall maintain  
20 all necessary books and records to substantiate the use and  
21 consumption of all such tangible personal property outside of  
22 the State of Illinois.

23 (27) 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  
2 under Title IV of the Environmental Protection Act. This  
3 paragraph is exempt from the provisions of Section 3-55.

4 (28) Tangible personal property sold to a  
5 public-facilities corporation, as described in Section  
6 11-65-10 of the Illinois Municipal Code, for purposes of  
7 constructing or furnishing a municipal convention hall, but  
8 only if the legal title to the municipal convention hall is  
9 transferred to the municipality without any further  
10 consideration by or on behalf of the municipality at the time  
11 of the completion of the municipal convention hall or upon the  
12 retirement or redemption of any bonds or other debt  
13 instruments issued by the public-facilities corporation in  
14 connection with the development of the municipal convention  
15 hall. This exemption includes existing public-facilities  
16 corporations as provided in Section 11-65-25 of the Illinois  
17 Municipal Code. This paragraph is exempt from the provisions  
18 of Section 3-55.

19 (29) Beginning January 1, 2010 and continuing through  
20 December 31, 2029, materials, parts, equipment, components,  
21 and furnishings incorporated into or upon an aircraft as part  
22 of the modification, refurbishment, completion, replacement,  
23 repair, or maintenance of the aircraft. This exemption  
24 includes consumable supplies used in the modification,  
25 refurbishment, completion, replacement, repair, and  
26 maintenance of aircraft. However, until January 1, 2024, this

1 exemption excludes any materials, parts, equipment,  
2 components, and consumable supplies used in the modification,  
3 replacement, repair, and maintenance of aircraft engines or  
4 power plants, whether such engines or power plants are  
5 installed or uninstalled upon any such aircraft. "Consumable  
6 supplies" include, but are not limited to, adhesive, tape,  
7 sandpaper, general purpose lubricants, cleaning solution,  
8 latex gloves, and protective films.

9 Beginning January 1, 2010 and continuing through December  
10 31, 2023, this exemption applies only to the transfer of  
11 qualifying tangible personal property incident to the  
12 modification, refurbishment, completion, replacement, repair,  
13 or maintenance of an aircraft by persons who (i) hold an Air  
14 Agency Certificate and are empowered to operate an approved  
15 repair station by the Federal Aviation Administration, (ii)  
16 have a Class IV Rating, and (iii) conduct operations in  
17 accordance with Part 145 of the Federal Aviation Regulations.  
18 The exemption does not include aircraft operated by a  
19 commercial air carrier providing scheduled passenger air  
20 service pursuant to authority issued under Part 121 or Part  
21 129 of the Federal Aviation Regulations. From January 1, 2024  
22 through December 31, 2029, this exemption applies only to the  
23 transfer of qualifying tangible personal property incident to:  
24 (A) the modification, refurbishment, completion, repair,  
25 replacement, or maintenance of an aircraft by persons who (i)  
26 hold an Air Agency Certificate and are empowered to operate an

1 approved repair station by the Federal Aviation  
2 Administration, (ii) have a Class IV Rating, and (iii) conduct  
3 operations in accordance with Part 145 of the Federal Aviation  
4 Regulations; and (B) the modification, replacement, repair,  
5 and maintenance of aircraft engines or power plants without  
6 regard to whether or not those persons meet the qualifications  
7 of item (A).

8 The changes made to this paragraph (29) by Public Act  
9 98-534 are declarative of existing law. It is the intent of the  
10 General Assembly that the exemption under this paragraph (29)  
11 applies continuously from January 1, 2010 through December 31,  
12 2024; however, no claim for credit or refund is allowed for  
13 taxes paid as a result of the disallowance of this exemption on  
14 or after January 1, 2015 and prior to February 5, 2020 (the  
15 effective date of Public Act 101-629).

16 (30) Beginning January 1, 2017 and through December 31,  
17 2026, menstrual pads, tampons, and menstrual cups.

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

21 (32) Qualified tangible personal property used in the  
22 construction or operation of a data center that has been  
23 granted a certificate of exemption by the Department of  
24 Commerce and Economic Opportunity, whether that tangible  
25 personal property is purchased by the owner, operator, or  
26 tenant of the data center or by a contractor or subcontractor

1 of the owner, operator, or tenant. Data centers that would  
2 have qualified for a certificate of exemption prior to January  
3 1, 2020 had Public Act 101-31 been in effect, may apply for and  
4 obtain an exemption for subsequent purchases of computer  
5 equipment or enabling software purchased or leased to upgrade,  
6 supplement, or replace computer equipment or enabling software  
7 purchased or leased in the original investment that would have  
8 qualified.

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

14 For the purposes of this item (32):

15 "Data center" means a building or a series of  
16 buildings rehabilitated or constructed to house working  
17 servers in one physical location or multiple sites within  
18 the State of Illinois.

19 "Qualified tangible personal property" means:  
20 electrical systems and equipment; climate control and  
21 chilling equipment and systems; mechanical systems and  
22 equipment; monitoring and secure systems; emergency  
23 generators; hardware; computers; servers; data storage  
24 devices; network connectivity equipment; racks; cabinets;  
25 telecommunications cabling infrastructure; raised floor  
26 systems; peripheral components or systems; software;

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

20 This item (32) is exempt from the provisions of Section  
21 3-55.

22 (33) Beginning July 1, 2022, breast pumps, breast pump  
23 collection and storage supplies, and breast pump kits. This  
24 item (33) is exempt from the provisions of Section 3-55. As  
25 used in this item (33):

26 "Breast pump" means an electrically controlled or

1 manually controlled pump device designed or marketed to be  
2 used to express milk from a human breast during lactation,  
3 including the pump device and any battery, AC adapter, or  
4 other power supply unit that is used to power the pump  
5 device and is packaged and sold with the pump device at the  
6 time of sale.

7 "Breast pump collection and storage supplies" means  
8 items of tangible personal property designed or marketed  
9 to be used in conjunction with a breast pump to collect  
10 milk expressed from a human breast and to store collected  
11 milk until it is ready for consumption.

12 "Breast pump collection and storage supplies"  
13 includes, but is not limited to: breast shields and breast  
14 shield connectors; breast pump tubes and tubing adapters;  
15 breast pump valves and membranes; backflow protectors and  
16 backflow protector adaptors; bottles and bottle caps  
17 specific to the operation of the breast pump; and breast  
18 milk storage bags.

19 "Breast pump collection and storage supplies" does not  
20 include: (1) bottles and bottle caps not specific to the  
21 operation of the breast pump; (2) breast pump travel bags  
22 and other similar carrying accessories, including ice  
23 packs, labels, and other similar products; (3) breast pump  
24 cleaning supplies; (4) nursing bras, bra pads, breast  
25 shells, and other similar products; and (5) creams,  
26 ointments, and other similar products that relieve

1       breastfeeding-related symptoms or conditions of the  
2       breasts or nipples, unless sold as part of a breast pump  
3       kit that is pre-packaged by the breast pump manufacturer  
4       or distributor.

5       "Breast pump kit" means a kit that: (1) contains no  
6       more than a breast pump, breast pump collection and  
7       storage supplies, a rechargeable battery for operating the  
8       breast pump, a breastmilk cooler, bottle stands, ice  
9       packs, and a breast pump carrying case; and (2) is  
10      pre-packaged as a breast pump kit by the breast pump  
11      manufacturer or distributor.

12      (34) Tangible personal property sold by or on behalf of  
13      the State Treasurer pursuant to the Revised Uniform Unclaimed  
14      Property Act. This item (34) is exempt from the provisions of  
15      Section 3-55.

16      (35) Beginning on January 1, 2024, tangible personal  
17      property purchased by an active duty member of the armed  
18      forces of the United States who presents valid military  
19      identification and purchases the property using a form of  
20      payment where the federal government is the payor. The member  
21      of the armed forces must complete, at the point of sale, a form  
22      prescribed by the Department of Revenue documenting that the  
23      transaction is eligible for the exemption under this  
24      paragraph. Retailers must keep the form as documentation of  
25      the exemption in their records for a period of not less than 6  
26      years. "Armed forces of the United States" means the United

1 States Army, Navy, Air Force, Space Force, Marine Corps, or  
2 Coast Guard. This paragraph is exempt from the provisions of  
3 Section 3-55.

4 (36) Beginning July 1, 2024, home-delivered meals provided  
5 to Medicare or Medicaid recipients when payment is made by an  
6 intermediary, such as a Medicare Administrative Contractor, a  
7 Managed Care Organization, or a Medicare Advantage  
8 Organization, pursuant to a government contract. This  
9 paragraph (36) is exempt from the provisions of Section 3-55.

10 (37) Beginning on January 1, 2026, as further defined in  
11 Section 3-10, food prepared for immediate consumption and  
12 transferred incident to a sale of service subject to this Act  
13 or the Service Use Tax Act by an entity licensed under the  
14 Hospital Licensing Act, the Nursing Home Care Act, the  
15 Assisted Living and Shared Housing Act, the ID/DD Community  
16 Care Act, the MC/DD Act, the Specialized Mental Health  
17 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by  
18 an entity that holds a permit issued pursuant to the Life Care  
19 Facilities Act. This item (37) is exempt from the provisions  
20 of Section 3-55.

21 (38) Beginning on January 1, 2026, as further defined in  
22 Section 3-10, food for human consumption that is to be  
23 consumed off the premises where it is sold (other than  
24 alcoholic beverages, food consisting of or infused with adult  
25 use cannabis, soft drinks, candy, and food that has been  
26 prepared for immediate consumption). This item (38) is exempt

1 from the provisions of Section 3-55.

2 (39) The lease of the following tangible personal  
3 property:

4 (1) computer software transferred subject to a license  
5 that meets the following requirements:

6 (A) it is evidenced by a written agreement signed  
7 by the licensor and the customer;

8 (i) an electronic agreement in which the  
9 customer accepts the license by means of an  
10 electronic signature that is verifiable and can be  
11 authenticated and is attached to or made part of  
12 the license will comply with this requirement;

13 (ii) a license agreement in which the customer  
14 electronically accepts the terms by clicking "I  
15 agree" does not comply with this requirement;

16 (B) it restricts the customer's duplication and  
17 use of the software;

18 (C) it prohibits the customer from licensing,  
19 sublicensing, or transferring the software to a third  
20 party (except to a related party) without the  
21 permission and continued control of the licensor;

22 (D) the licensor has a policy of providing another  
23 copy at minimal or no charge if the customer loses or  
24 damages the software, or of permitting the licensee to  
25 make and keep an archival copy, and such policy is  
26 either stated in the license agreement, supported by

1 the licensor's books and records, or supported by a  
2 notarized statement made under penalties of perjury by  
3 the licensor; and

4 (E) the customer must destroy or return all copies  
5 of the software to the licensor at the end of the  
6 license period; this provision is deemed to be met, in  
7 the case of a perpetual license, without being set  
8 forth in the license agreement; and

9 (2) property that is subject to a tax on lease  
10 receipts imposed by a home rule unit of local government  
11 if the ordinance imposing that tax was adopted prior to  
12 January 1, 2023.

13 (40) On and after January 1, 2027, essential supplies  
14 purchased by a day care center that has been granted a  
15 certificate of exemption by the Department. The Department of  
16 Children and Family Services may share information with the  
17 Department of Revenue for the purpose of administering the  
18 provisions of this exemption. This item (40) is exempt from  
19 the provisions of Section 3-55.

20 As used in this item (40):

21 "Day care center" has the meaning given to that term in  
22 Section 2.09 of the Child Care Act of 1969.

23 "Essential supplies" means items designated, by rule, as  
24 essential supplies by the Department of Children and Family  
25 Services, including, but not limited to: food and beverages to  
26 be consumed by a child as a snack or meal at the day care

1 center, including, but not limited to, fruits and vegetables,  
2 whole grains, proteins, water, and reduced fat or skim milk;  
3 diapers; wipes; first aid kits; smoke detectors; nap mats; and  
4 soap and hand sanitizer.

5 (Source: P.A. 103-9, Article 5, Section 5-15, eff. 6-7-23;  
6 103-9, Article 15, Section 15-15, eff. 6-7-23; 103-154, eff.  
7 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
8 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
9 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.  
10 8-15-25.)

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

13 (35 ILCS 120/2-5)

14 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
15 the sale, which, on and after January 1, 2025, includes the  
16 lease, of the following tangible personal property are exempt  
17 from the tax imposed by this Act:

18 (1) Farm chemicals.

19 (2) Farm machinery and equipment, both new and used,  
20 including that manufactured on special order, certified by  
21 the purchaser to be used primarily for production  
22 agriculture or State or federal agricultural programs,  
23 including individual replacement parts for the machinery  
24 and equipment, including machinery and equipment purchased

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

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

24             Farm machinery and equipment also includes computers,  
25      sensors, software, and related equipment used primarily in  
26      the computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not  
2 limited to, the collection, monitoring, and correlation of  
3 animal and crop data for the purpose of formulating animal  
4 diets and agricultural chemicals.

5 Beginning on January 1, 2024, farm machinery and  
6 equipment also includes electrical power generation  
7 equipment used primarily for production agriculture.

8 This item (2) is exempt from the provisions of Section  
9 2-70.

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

17 (4) Until July 1, 2003 and beginning again September  
18 1, 2004 through August 30, 2014, graphic arts machinery  
19 and equipment, including repair and replacement parts,  
20 both new and used, and including that manufactured on  
21 special order or purchased for lease, certified by the  
22 purchaser to be used primarily for graphic arts  
23 production. Equipment includes chemicals or chemicals  
24 acting as catalysts but only if the chemicals or chemicals  
25 acting as catalysts effect a direct and immediate change  
26 upon a graphic arts product. Beginning on July 1, 2017,

1 graphic arts machinery and equipment is included in the  
2 manufacturing and assembling machinery and equipment  
3 exemption under paragraph (14).

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

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

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

14 (8) Personal property sold to an Illinois county fair  
15 association for use in conducting, operating, or promoting  
16 the county fair.

17 (9) Personal property sold to a not-for-profit arts or  
18 cultural organization that establishes, by proof required  
19 by the Department by rule, that it has received an  
20 exemption under Section 501(c)(3) of the Internal Revenue  
21 Code and that is organized and operated primarily for the  
22 presentation or support of arts or cultural programming,  
23 activities, or services. These organizations include, but  
24 are not limited to, music and dramatic arts organizations  
25 such as symphony orchestras and theatrical groups, arts  
26 and cultural service organizations, local arts councils,

1 visual arts organizations, and media arts organizations.  
2 On and after July 1, 2001 (the effective date of Public Act  
3 92-35), however, an entity otherwise eligible for this  
4 exemption shall not make tax-free purchases unless it has  
5 an active identification number issued by the Department.

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

13 (11) Except as otherwise provided in this Section,  
14 personal property sold to a governmental body, to a  
15 corporation, society, association, foundation, or  
16 institution organized and operated exclusively for  
17 charitable, religious, or educational purposes, or to a  
18 not-for-profit corporation, society, association,  
19 foundation, institution, or organization that has no  
20 compensated officers or employees and that is organized  
21 and operated primarily for the recreation of persons 55  
22 years of age or older. A limited liability company may  
23 qualify for the exemption under this paragraph only if the  
24 limited liability company is organized and operated  
25 exclusively for educational purposes. On and after July 1,  
26 1987, however, no entity otherwise eligible for this

1 exemption shall make tax-free purchases unless it has an  
2 active identification number issued by the Department.

3 (12) (Blank).

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

24 (13) Proceeds from sales to owners or lessors,  
25 lessees, or shippers of tangible personal property that is  
26 utilized by interstate carriers for hire for use as

1       rolling stock moving in interstate commerce and equipment  
2       operated by a telecommunications provider, licensed as a  
3       common carrier by the Federal Communications Commission,  
4       which is permanently installed in or affixed to aircraft  
5       moving in interstate commerce.

6       (14) Machinery and equipment that will be used by the  
7       purchaser, or a lessee of the purchaser, primarily in the  
8       process of manufacturing or assembling tangible personal  
9       property for wholesale or retail sale or lease, whether  
10      the sale or lease is made directly by the manufacturer or  
11      by some other person, whether the materials used in the  
12      process are owned by the manufacturer or some other  
13      person, or whether the sale or lease is made apart from or  
14      as an incident to the seller's engaging in the service  
15      occupation of producing machines, tools, dies, jigs,  
16      patterns, gauges, or other similar items of no commercial  
17      value on special order for a particular purchaser. The  
18      exemption provided by this paragraph (14) does not include  
19      machinery and equipment used in (i) the generation of  
20      electricity for wholesale or retail sale; (ii) the  
21      generation or treatment of natural or artificial gas for  
22      wholesale or retail sale that is delivered to customers  
23      through pipes, pipelines, or mains; or (iii) the treatment  
24      of water for wholesale or retail sale that is delivered to  
25      customers through pipes, pipelines, or mains. The  
26      provisions of Public Act 98-583 are declaratory of

1 existing law as to the meaning and scope of this  
2 exemption. Beginning on July 1, 2017, the exemption  
3 provided by this paragraph (14) includes, but is not  
4 limited to, graphic arts machinery and equipment, as  
5 defined in paragraph (4) of this Section.

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

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

18 (17) Tangible personal property sold to a common  
19 carrier by rail or motor that receives the physical  
20 possession of the property in Illinois and that transports  
21 the property, or shares with another common carrier in the  
22 transportation of the property, out of Illinois on a  
23 standard uniform bill of lading showing the seller of the  
24 property as the shipper or consignor of the property to a  
25 destination outside Illinois, for use outside Illinois.

26 (18) Legal tender, currency, medallions, or gold or

1 silver coinage issued by the State of Illinois, the  
2 government of the United States of America, or the  
3 government of any foreign country, and bullion.

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

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

20 (21) Until July 1, 2028, coal and aggregate  
21 exploration, mining, off-highway hauling, processing,  
22 maintenance, and reclamation equipment, including  
23 replacement parts and equipment, and including equipment  
24 purchased for lease, but excluding motor vehicles required  
25 to be registered under the Illinois Vehicle Code. The  
26 changes made to this Section by Public Act 97-767 apply on

1       and after July 1, 2003, but no claim for credit or refund  
2       is allowed on or after August 16, 2013 (the effective date  
3       of Public Act 98-456) for such taxes paid during the  
4       period beginning July 1, 2003 and ending on August 16,  
5       2013 (the effective date of Public Act 98-456).

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

13      Beginning July 1, 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 that (i) is engaged in foreign trade or is engaged  
18      in trade between the United States and any of its  
19      possessions and (ii) transports at least one individual or  
20      package for hire from the city of origination to the city  
21      of final destination on the same aircraft, without regard  
22      to a change in the flight number of that aircraft.

23      (23) A transaction in which the purchase order is  
24      received by a florist who is located outside Illinois, but  
25      who has a florist located in Illinois deliver the property  
26      to the 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  
4           for hire on rivers bordering on this State if the fuel is  
5           delivered by the seller to the purchaser's barge, ship, or  
6           vessel while it is afloat upon that bordering river.

7           (25) Except as provided in items (25-5) and (25-6) of  
8           this Section, a motor vehicle sold in this State to a  
9           nonresident even though the motor vehicle is delivered to  
10          the nonresident in this State, if the motor vehicle is not  
11          to be titled in this State, and if a drive-away permit is  
12          issued to the motor vehicle as provided in Section 3-603  
13          of the Illinois Vehicle Code or if the nonresident  
14          purchaser has vehicle registration plates to transfer to  
15          the motor vehicle upon returning to his or her home state.  
16          The issuance of the drive-away permit or having the  
17          out-of-state registration plates to be transferred is  
18          prima facie evidence that the motor vehicle will not be  
19          titled in this State.

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

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

24 (25-6) There is a rebuttable presumption that the  
25 exemption under item (25) does not apply if the purchaser  
26 is a limited liability company and a member of the limited

1 liability company is a resident of Illinois. This  
2 presumption may be rebutted by other evidence, such as  
3 evidence the motor vehicle is insured at a garaging or  
4 storage address outside Illinois or other evidence of the  
5 physical address at which the motor vehicle will be  
6 permanently stored or garaged outside Illinois.

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

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

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

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

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

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

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

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

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

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

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

1 exemption provided for under this item (27) applies for  
2 all periods beginning May 30, 1995, but no claim for  
3 credit or refund is allowed on or after January 1, 2008  
4 (the effective date of Public Act 95-88) for such taxes  
5 paid during the period beginning May 30, 2000 and ending  
6 on January 1, 2008 (the effective date of Public Act  
7 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (38) Beginning on January 1, 2002 and through June 30,  
24 2016, tangible personal property purchased from an  
25 Illinois retailer by a taxpayer engaged in centralized  
26 purchasing activities in Illinois who will, upon receipt

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

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

1 Protection Act. This paragraph is exempt from the  
2 provisions of Section 2-70.

3 (40) Beginning January 1, 2010 and continuing through  
4 December 31, 2029, materials, parts, equipment,  
5 components, and furnishings incorporated into or upon an  
6 aircraft as part of the modification, refurbishment,  
7 completion, replacement, repair, or maintenance of the  
8 aircraft. This exemption includes consumable supplies used  
9 in the modification, refurbishment, completion,  
10 replacement, repair, and maintenance of aircraft. However,  
11 until January 1, 2024, this exemption excludes any  
12 materials, parts, equipment, components, and consumable  
13 supplies used in the modification, replacement, repair,  
14 and maintenance of aircraft engines or power plants,  
15 whether such engines or power plants are installed or  
16 uninstalled upon any such aircraft. "Consumable supplies"  
17 include, but are not limited to, adhesive, tape,  
18 sandpaper, general purpose lubricants, cleaning solution,  
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through  
21 December 31, 2023, this exemption applies only to the sale  
22 of qualifying tangible personal property to persons who  
23 modify, refurbish, complete, replace, or maintain an  
24 aircraft and who (i) hold an Air Agency Certificate and  
25 are empowered to operate an approved repair station by the  
26 Federal Aviation Administration, (ii) have a Class IV

1 Rating, and (iii) conduct operations in accordance with  
2 Part 145 of the Federal Aviation Regulations. The  
3 exemption does not include aircraft operated by a  
4 commercial air carrier providing scheduled passenger air  
5 service pursuant to authority issued under Part 121 or  
6 Part 129 of the Federal Aviation Regulations. From January  
7 1, 2024 through December 31, 2029, this exemption applies  
8 only to the sale of qualifying tangible personal property  
9 to: (A) persons who modify, refurbish, complete, repair,  
10 replace, or maintain aircraft and who (i) hold an Air  
11 Agency Certificate and are empowered to operate an  
12 approved repair station by the Federal Aviation  
13 Administration, (ii) have a Class IV Rating, and (iii)  
14 conduct operations in accordance with Part 145 of the  
15 Federal Aviation Regulations; and (B) persons who engage  
16 in the modification, replacement, repair, and maintenance  
17 of aircraft engines or power plants without regard to  
18 whether or not those persons meet the qualifications of  
19 item (A).

20 The changes made to this paragraph (40) by Public Act  
21 98-534 are declarative of existing law. It is the intent  
22 of the General Assembly that the exemption under this  
23 paragraph (40) applies continuously from January 1, 2010  
24 through December 31, 2024; however, no claim for credit or  
25 refund is allowed for taxes paid as a result of the  
26 disallowance of this exemption on or after January 1, 2015

1 and prior to February 5, 2020 (the effective date of  
2 Public Act 101-629).

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

18 (42) Beginning January 1, 2017 and through December  
19 31, 2026, menstrual pads, tampons, and menstrual cups.

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

1 the provisions of Section 2-70.

2 (44) Qualified tangible personal property used in the  
3 construction or operation of a data center that has been  
4 granted a certificate of exemption by the Department of  
5 Commerce and Economic Opportunity, whether that tangible  
6 personal property is purchased by the owner, operator, or  
7 tenant of the data center or by a contractor or  
8 subcontractor of the owner, operator, or tenant. Data  
9 centers that would have qualified for a certificate of  
10 exemption prior to January 1, 2020 had Public Act 101-31  
11 been in effect, may apply for and obtain an exemption for  
12 subsequent purchases of computer equipment or enabling  
13 software purchased or leased to upgrade, supplement, or  
14 replace computer equipment or enabling software purchased  
15 or leased in the original investment that would have  
16 qualified.

17 The Department of Commerce and Economic Opportunity  
18 shall grant a certificate of exemption under this item  
19 (44) to qualified data centers as defined by Section  
20 605-1025 of the Department of Commerce and Economic  
21 Opportunity Law of the Civil Administrative Code of  
22 Illinois.

23 For the purposes of this item (44):

24 "Data center" means a building or a series of  
25 buildings rehabilitated or constructed to house  
26 working servers in one physical location or multiple

1 sites within the State of Illinois.

2 "Qualified tangible personal property" means:  
3 electrical systems and equipment; climate control and  
4 chilling equipment and systems; mechanical systems and  
5 equipment; monitoring and secure systems; emergency  
6 generators; hardware; computers; servers; data storage  
7 devices; network connectivity equipment; racks;  
8 cabinets; telecommunications cabling infrastructure;  
9 raised floor systems; peripheral components or  
10 systems; software; mechanical, electrical, or plumbing  
11 systems; battery systems; cooling systems and towers;  
12 temperature control systems; other cabling; and other  
13 data center infrastructure equipment and systems  
14 necessary to operate qualified tangible personal  
15 property, including fixtures; and component parts of  
16 any of the foregoing, including installation,  
17 maintenance, repair, refurbishment, and replacement of  
18 qualified tangible personal property to generate,  
19 transform, transmit, distribute, or manage electricity  
20 necessary to operate qualified tangible personal  
21 property; and all other tangible personal property  
22 that is essential to the operations of a computer data  
23 center. The term "qualified tangible personal  
24 property" also includes building materials physically  
25 incorporated into the qualifying data center. To  
26 document the exemption allowed under this Section, the

1           retailer must obtain from the purchaser a copy of the  
2           certificate of eligibility issued by the Department of  
3           Commerce and Economic Opportunity.

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

6           (45) Beginning January 1, 2020 and through December  
7           31, 2020, sales of tangible personal property made by a  
8           marketplace seller over a marketplace for which tax is due  
9           under this Act but for which use tax has been collected and  
10          remitted to the Department by a marketplace facilitator  
11          under Section 2d of the Use Tax Act are exempt from tax  
12          under this Act. A marketplace seller claiming this  
13          exemption shall maintain books and records demonstrating  
14          that the use tax on such sales has been collected and  
15          remitted by a marketplace facilitator. Marketplace sellers  
16          that have properly remitted tax under this Act on such  
17          sales may file a claim for credit as provided in Section 6  
18          of this Act. No claim is allowed, however, for such taxes  
19          for which a credit or refund has been issued to the  
20          marketplace facilitator under the Use Tax Act, or for  
21          which the marketplace facilitator has filed a claim for  
22          credit or refund under the Use Tax Act.

23          (46) Beginning July 1, 2022, breast pumps, breast pump  
24          collection and storage supplies, and breast pump kits.  
25          This item (46) is exempt from the provisions of Section  
26          2-70. As used in this item (46):

1           "Breast pump" means an electrically controlled or  
2 manually controlled pump device designed or marketed to be  
3 used to express milk from a human breast during lactation,  
4 including the pump device and any battery, AC adapter, or  
5 other power supply unit that is used to power the pump  
6 device and is packaged and sold with the pump device at the  
7 time of sale.

8           "Breast pump collection and storage supplies" means  
9 items of tangible personal property designed or marketed  
10 to be used in conjunction with a breast pump to collect  
11 milk expressed from a human breast and to store collected  
12 milk until it is ready for consumption.

13           "Breast pump collection and storage supplies"  
14 includes, but is not limited to: breast shields and breast  
15 shield connectors; breast pump tubes and tubing adapters;  
16 breast pump valves and membranes; backflow protectors and  
17 backflow protector adaptors; bottles and bottle caps  
18 specific to the operation of the breast pump; and breast  
19 milk storage bags.

20           "Breast pump collection and storage supplies" does not  
21 include: (1) bottles and bottle caps not specific to the  
22 operation of the breast pump; (2) breast pump travel bags  
23 and other similar carrying accessories, including ice  
24 packs, labels, and other similar products; (3) breast pump  
25 cleaning supplies; (4) nursing bras, bra pads, breast  
26 shells, and other similar products; and (5) creams,

1 ointments, and other similar products that relieve  
2 breastfeeding-related symptoms or conditions of the  
3 breasts or nipples, unless sold as part of a breast pump  
4 kit that is pre-packaged by the breast pump manufacturer  
5 or distributor.

6 "Breast pump kit" means a kit that: (1) contains no  
7 more than a breast pump, breast pump collection and  
8 storage supplies, a rechargeable battery for operating the  
9 breast pump, a breastmilk cooler, bottle stands, ice  
10 packs, and a breast pump carrying case; and (2) is  
11 pre-packaged as a breast pump kit by the breast pump  
12 manufacturer or distributor.

13 (47) Tangible personal property sold by or on behalf  
14 of the State Treasurer pursuant to the Revised Uniform  
15 Unclaimed Property Act. This item (47) is exempt from the  
16 provisions of Section 2-70.

17 (48) Beginning on January 1, 2024, tangible personal  
18 property purchased by an active duty member of the armed  
19 forces of the United States who presents valid military  
20 identification and purchases the property using a form of  
21 payment where the federal government is the payor. The  
22 member of the armed forces must complete, at the point of  
23 sale, a form prescribed by the Department of Revenue  
24 documenting that the transaction is eligible for the  
25 exemption under this paragraph. Retailers must keep the  
26 form as documentation of the exemption in their records

1 for a period of not less than 6 years. "Armed forces of the  
2 United States" means the United States Army, Navy, Air  
3 Force, Space Force, Marine Corps, or Coast Guard. This  
4 paragraph is exempt from the provisions of Section 2-70.

5 (49) Beginning July 1, 2024, home-delivered meals  
6 provided to Medicare or Medicaid recipients when payment  
7 is made by an intermediary, such as a Medicare  
8 Administrative Contractor, a Managed Care Organization, or  
9 a Medicare Advantage Organization, pursuant to a  
10 government contract. This paragraph (49) is exempt from  
11 the provisions of Section 2-70.

12 (50) Beginning on January 1, 2026, as further defined  
13 in Section 2-10, food for human consumption that is to be  
14 consumed off the premises where it is sold (other than  
15 alcoholic beverages, food consisting of or infused with  
16 adult use cannabis, soft drinks, candy, and food that has  
17 been prepared for immediate consumption). This item (50)  
18 is exempt from the provisions of Section 2-70.

19 (51) Gross receipts from the lease of the following  
20 tangible personal property:

21 (1) computer software transferred subject to a  
22 license that meets the following requirements:

23 (A) it is evidenced by a written agreement  
24 signed by the licensor and the customer;

25 (i) an electronic agreement in which the  
26 customer accepts the license by means of an

1           electronic signature that is verifiable and  
2           can be authenticated and is attached to or  
3           made part of the license will comply with this  
4           requirement;

5           (ii) a license agreement in which the  
6           customer electronically accepts the terms by  
7           clicking "I agree" does not comply with this  
8           requirement;

9           (B) it restricts the customer's duplication  
10          and use of the software;

11          (C) it prohibits the customer from licensing,  
12          sublicensing, or transferring the software to a  
13          third party (except to a related party) without  
14          the permission and continued control of the  
15          licensor;

16          (D) the licensor has a policy of providing  
17          another copy at minimal or no charge if the  
18          customer loses or damages the software, or of  
19          permitting the licensee to make and keep an  
20          archival copy, and such policy is either stated in  
21          the license agreement, supported by the licensor's  
22          books and records, or supported by a notarized  
23          statement made under penalties of perjury by the  
24          licensor; and

25          (E) the customer must destroy or return all  
26          copies of the software to the licensor at the end

1 of the license period; this provision is deemed to  
2 be met, in the case of a perpetual license,  
3 without being set forth in the license agreement;  
4 and

5 (2) property that is subject to a tax on lease  
6 receipts imposed by a home rule unit of local  
7 government if the ordinance imposing that tax was  
8 adopted prior to January 1, 2023.

9 (52) On and after January 1, 2027, essential supplies  
10 purchased by a day care center that has been granted a  
11 certificate of exemption by the Department. The Department  
12 of Children and Family Services may share information with  
13 the Department of Revenue for the purpose of administering  
14 the provisions of this exemption. This item (52) is exempt  
15 from the provisions of Section 2-70.

16 As used in this item (52):

17 "Day care center" has the meaning given to that term  
18 in Section 2.09 of the Child Care Act of 1969.

19 "Essential supplies" means items designated, by rule,  
20 as essential supplies by the Department of Children and  
21 Family Services, including, but not limited to: food and  
22 beverages to be consumed by a child as a snack or meal at  
23 the day care center, including, but not limited to, fruits  
24 and vegetables, whole grains, proteins, water, and reduced  
25 fat or skim milk; diapers; wipes; first aid kits; smoke  
26 detectors; nap mats; and soap and hand sanitizer.

1 (Source: P.A. 103-9, Article 5, Section 5-20, eff. 6-7-23;  
2 103-9, Article 15, Section 15-20, eff. 6-7-23; 103-154, eff.  
3 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
4 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
5 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-6, eff.  
6 6-16-25; 104-417, eff. 8-15-25.)

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