



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2027

Introduced 2/6/2025, by Sen. Celina Villanueva

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
35 ILCS 105/3-61	
35 ILCS 110/3-51	
35 ILCS 115/2d	
35 ILCS 120/2-5	
35 ILCS 120/2-51	
625 ILCS 5/3-1001	from Ch. 95 1/2, par. 3-1001

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that there is a rebuttable presumption that the exemption under the Acts for motor vehicles that are sold in this State to a nonresident and are not titled in this State does not apply if the purchaser is a limited liability company and a member of the limited liability company is a resident of Illinois. Provides that the rolling stock exemption for limousines applies only to limousines that are not subject to the provisions of the Transportation Network Providers Act. Amends the Illinois Vehicle Code. Provides that the motor vehicle privilege tax does not apply if the motor vehicle is purchased for the purpose of resale by a retailer registered under the Retailers' Occupation Tax Act. Effective immediately.

LRB104 03451 HLH 13474 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 Sections  
5 3-55 and 3-61 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) (Blank).

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

1 installed in or affixed to aircraft moving in interstate  
2 commerce.

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

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

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

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

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

6 (h) Except as provided in subsections ~~subsection~~ (h-1) and  
7 (h-1.5), the use, in this State, of a motor vehicle that was  
8 sold in this State to a nonresident, even though the motor  
9 vehicle is delivered to the nonresident in this State, if the  
10 motor vehicle is not to be titled in this State, and if a  
11 drive-away permit is issued to the motor vehicle as provided  
12 in Section 3-603 of the Illinois Vehicle Code or if the  
13 nonresident purchaser has vehicle registration plates to  
14 transfer to the motor vehicle upon returning to his or her home  
15 state. The issuance of the drive-away permit or having the  
16 out-of-state registration plates to be transferred shall be  
17 prima facie evidence that the motor vehicle will not be titled  
18 in this State.

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

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

22 (h-1.5) There is a rebuttable presumption that the  
23 exemption under subsection (h) does not apply if the purchaser  
24 is a limited liability company and a member of the limited  
25 liability company is a resident of Illinois. This presumption  
26 may be rebutted by other evidence, such as evidence the motor

1 vehicle is insured for primary use at an address outside of  
2 Illinois or evidence that the motor vehicle will be stored or  
3 garaged at a physical address outside Illinois.

4 (h-2) The following exemptions apply with respect to  
5 certain aircraft:

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

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

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

19 (C) the purchaser provides the Department with a  
20 signed and dated certification, on a form prescribed  
21 by the Department, certifying that the requirements of  
22 this item (1) are met. The certificate must also  
23 include the name and address of the purchaser, the  
24 address of the location where the aircraft is to be  
25 titled or registered, the address of the primary  
26 physical location of the aircraft, and other

1 information that the Department may reasonably  
2 require.

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

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

10 (B) the purchaser provides the Department with a  
11 signed and dated certification, on a form prescribed  
12 by the Department, certifying that the requirements of  
13 this item (2) are met. The certificate must also  
14 include the name and address of the purchaser, the  
15 address of the location where the aircraft is to be  
16 titled or registered, the address of the primary  
17 physical location of the aircraft, and other  
18 information that the Department may reasonably  
19 require.

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

25 (A) the aircraft leaves this State within 15 days  
26 after the authorized approval for return to service,

1 completion of the maintenance record entry, and  
2 completion of the test flight and ground test for  
3 inspection, as required by 14 C.F.R. 91.407;

4 (B) the aircraft is not based or registered in  
5 this State either before or after the post-sale  
6 customization; and

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

17 If tax becomes due under this subsection (h-2) because of  
18 the purchaser's use of the aircraft in this State, the  
19 purchaser shall file a return with the Department and pay the  
20 tax on the fair market value of the aircraft. This return and  
21 payment of the tax must be made no later than 30 days after the  
22 aircraft is used in a taxable manner in this State. The tax is  
23 based on the fair market value of the aircraft on the date that  
24 it is first used in a taxable manner in this State.

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

26 "Based in this State" means hangared, stored, or otherwise

1 used, excluding post-sale customizations as defined in this  
2 Section, for 10 or more days in each 12-month period  
3 immediately following the date of the sale of the aircraft.

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

7 "Prepurchase evaluation" means an examination of an  
8 aircraft to provide a potential purchaser with information  
9 relevant to the potential purchase.

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

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

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

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

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

18 (Source: P.A. 103-592, eff. 1-1-25.)

19 (35 ILCS 105/3-61)

20 Sec. 3-61. Motor vehicles; trailers; use as rolling stock  
21 definition.

22 (a) (Blank).

23 (b) (Blank).

24 (c) This subsection (c) applies to motor vehicles, other  
25 than limousines, purchased through June 30, 2017. For motor

1 vehicles, other than limousines, purchased on or after July 1,  
2 2017, subsection (d-5) applies. This subsection (c) applies to  
3 limousines purchased before, on, or after July 1, 2017. "Use  
4 as rolling stock moving in interstate commerce" in paragraph  
5 (c) of Section 3-55 occurs for motor vehicles, as defined in  
6 Section 1-146 of the Illinois Vehicle Code, when during a  
7 12-month period the rolling stock has carried persons or  
8 property for hire in interstate commerce for greater than 50%  
9 of its total trips for that period or for greater than 50% of  
10 its total miles for that period. The person claiming the  
11 exemption shall make an election at the time of purchase to use  
12 either the trips or mileage method. Persons who purchased  
13 motor vehicles prior to July 1, 2004 shall make an election to  
14 use either the trips or mileage method and document that  
15 election in their books and records. If no election is made  
16 under this subsection to use the trips or mileage method, the  
17 person shall be deemed to have chosen the mileage method.

18 For purposes of determining qualifying trips or miles,  
19 motor vehicles that carry persons or property for hire, even  
20 just between points in Illinois, will be considered used for  
21 hire in interstate commerce if the motor vehicle transports  
22 persons whose journeys or property whose shipments originate  
23 or terminate outside Illinois. The exemption for motor  
24 vehicles used as rolling stock moving in interstate commerce  
25 may be claimed only for the following vehicles: (i) motor  
26 vehicles whose gross vehicle weight rating exceeds 16,000

1 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
2 the Illinois Vehicle Code. On and after July 1, 2025, the  
3 exemption for limousines applies only to limousines that are  
4 not subject to the provisions of the Transportation Network  
5 Providers Act. Through June 30, 2017, this definition applies  
6 to all property purchased for the purpose of being attached to  
7 those motor vehicles as a part thereof. On and after July 1,  
8 2017, this definition applies to property purchased for the  
9 purpose of being attached to limousines as a part thereof. For  
10 property that is purchased on or after July 1, 2025 for the  
11 purpose of being attached to a limousines as a part thereof,  
12 this definition applies only if the limousine is not subject  
13 to the provisions of the Transportation Network Providers Act.

14 (d) For purchases made through June 30, 2017, "use as  
15 rolling stock moving in interstate commerce" in paragraph (c)  
16 of Section 3-55 occurs for trailers, as defined in Section  
17 1-209 of the Illinois Vehicle Code, semitrailers as defined in  
18 Section 1-187 of the Illinois Vehicle Code, and pole trailers  
19 as defined in Section 1-161 of the Illinois Vehicle Code, when  
20 during a 12-month period the rolling stock has carried persons  
21 or property for hire in interstate commerce for greater than  
22 50% of its total trips for that period or for greater than 50%  
23 of its total miles for that period. The person claiming the  
24 exemption for a trailer or trailers that will not be dedicated  
25 to a motor vehicle or group of motor vehicles shall make an  
26 election at the time of purchase to use either the trips or

1 mileage method. Persons who purchased trailers prior to July  
2 1, 2004 that are not dedicated to a motor vehicle or group of  
3 motor vehicles shall make an election to use either the trips  
4 or mileage method and document that election in their books  
5 and records. If no election is made under this subsection to  
6 use the trips or mileage method, the person shall be deemed to  
7 have chosen the mileage method.

8 For purposes of determining qualifying trips or miles,  
9 trailers, semitrailers, or pole trailers that carry property  
10 for hire, even just between points in Illinois, will be  
11 considered used for hire in interstate commerce if the  
12 trailers, semitrailers, or pole trailers transport property  
13 whose shipments originate or terminate outside Illinois. This  
14 definition applies to all property purchased for the purpose  
15 of being attached to those trailers, semitrailers, or pole  
16 trailers as a part thereof. In lieu of a person providing  
17 documentation regarding the qualifying use of each individual  
18 trailer, semitrailer, or pole trailer, that person may  
19 document such qualifying use by providing documentation of the  
20 following:

21 (1) If a trailer, semitrailer, or pole trailer is  
22 dedicated to a motor vehicle that qualifies as rolling  
23 stock moving in interstate commerce under subsection (c)  
24 of this Section, then that trailer, semitrailer, or pole  
25 trailer qualifies as rolling stock moving in interstate  
26 commerce under this subsection.

1           (2) If a trailer, semitrailer, or pole trailer is  
2 dedicated to a group of motor vehicles that all qualify as  
3 rolling stock moving in interstate commerce under  
4 subsection (c) of this Section, then that trailer,  
5 semitrailer, or pole trailer qualifies as rolling stock  
6 moving in interstate commerce under this subsection.

7           (3) If one or more trailers, semitrailers, or pole  
8 trailers are dedicated to a group of motor vehicles and  
9 not all of those motor vehicles in that group qualify as  
10 rolling stock moving in interstate commerce under  
11 subsection (c) of this Section, then the percentage of  
12 those trailers, semitrailers, or pole trailers that  
13 qualifies as rolling stock moving in interstate commerce  
14 under this subsection is equal to the percentage of those  
15 motor vehicles in that group that qualify as rolling stock  
16 moving in interstate commerce under subsection (c) of this  
17 Section to which those trailers, semitrailers, or pole  
18 trailers are dedicated. However, to determine the  
19 qualification for the exemption provided under this item  
20 (3), the mathematical application of the qualifying  
21 percentage to one or more trailers, semitrailers, or pole  
22 trailers under this subpart shall not be allowed as to any  
23 fraction of a trailer, semitrailer, or pole trailer.

24           (d-5) For motor vehicles and trailers purchased on or  
25 after July 1, 2017, "use as rolling stock moving in interstate  
26 commerce" means that:

1           (1) the motor vehicle or trailer is used to transport  
2 persons or property for hire;

3           (2) for purposes of the exemption under subsection (c)  
4 of Section 3-55, the purchaser who is an owner, lessor, or  
5 shipper claiming the exemption certifies that the motor  
6 vehicle or trailer will be utilized, from the time of  
7 purchase and continuing through the statute of limitations  
8 for issuing a notice of tax liability under this Act, by an  
9 interstate carrier or carriers for hire who hold, and are  
10 required by Federal Motor Carrier Safety Administration  
11 regulations to hold, an active USDOT Number with the  
12 Carrier Operation listed as "Interstate" and the Operation  
13 Classification listed as "authorized for hire", "exempt  
14 for hire", or both "authorized for hire" and "exempt for  
15 hire"; except that this paragraph (2) does not apply to a  
16 motor vehicle or trailer used at an airport to support the  
17 operation of an aircraft moving in interstate commerce, as  
18 long as (i) in the case of a motor vehicle, the motor  
19 vehicle meets paragraphs (1) and (3) of this subsection  
20 (d-5) or (ii) in the case of a trailer, the trailer meets  
21 paragraph (1) of this subsection (d-5); and

22           (3) for motor vehicles, the gross vehicle weight  
23 rating exceeds 16,000 pounds.

24           The definition of "use as rolling stock moving in  
25 interstate commerce" in this subsection (d-5) applies to all  
26 property purchased on or after July 1, 2017 for the purpose of

1 being attached to a motor vehicle or trailer as a part thereof,  
2 regardless of whether the motor vehicle or trailer was  
3 purchased before, on, or after July 1, 2017.

4 If an item ceases to meet requirements (1) through (3)  
5 under this subsection (d-5), then the tax is imposed on the  
6 selling price, allowing for a reasonable depreciation for the  
7 period during which the item qualified for the exemption.

8 For purposes of this subsection (d-5):

9 "Motor vehicle" excludes limousines, but otherwise  
10 means that term as defined in Section 1-146 of the  
11 Illinois Vehicle Code.

12 "Trailer" means (i) "trailer", as defined in Section  
13 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
14 defined in Section 1-187 of the Illinois Vehicle Code, and  
15 (iii) "pole trailer", as defined in Section 1-161 of the  
16 Illinois Vehicle Code.

17 (e) For aircraft and watercraft purchased on or after  
18 January 1, 2014, "use as rolling stock moving in interstate  
19 commerce" in paragraph (c) of Section 3-55 occurs when, during  
20 a 12-month period, the rolling stock has carried persons or  
21 property for hire in interstate commerce for greater than 50%  
22 of its total trips for that period or for greater than 50% of  
23 its total miles for that period. The person claiming the  
24 exemption shall make an election at the time of purchase to use  
25 either the trips or mileage method and document that election  
26 in their books and records. If no election is made under this

1 subsection to use the trips or mileage method, the person  
2 shall be deemed to have chosen the mileage method. For  
3 aircraft, flight hours may be used in lieu of recording miles  
4 in determining whether the aircraft meets the mileage test in  
5 this subsection. For watercraft, nautical miles or trip hours  
6 may be used in lieu of recording miles in determining whether  
7 the watercraft meets the mileage test in this subsection.

8 Notwithstanding any other provision of law to the  
9 contrary, property purchased on or after January 1, 2014 for  
10 the purpose of being attached to aircraft or watercraft as a  
11 part thereof qualifies as rolling stock moving in interstate  
12 commerce only if the aircraft or watercraft to which it will be  
13 attached qualifies as rolling stock moving in interstate  
14 commerce under the test set forth in this subsection (e),  
15 regardless of when the aircraft or watercraft was purchased.  
16 Persons who purchased aircraft or watercraft prior to January  
17 1, 2014 shall make an election to use either the trips or  
18 mileage method and document that election in their books and  
19 records for the purpose of determining whether property  
20 purchased on or after January 1, 2014 for the purpose of being  
21 attached to aircraft or watercraft as a part thereof qualifies  
22 as rolling stock moving in interstate commerce under this  
23 subsection (e).

24 (f) The election to use either the trips or mileage method  
25 made under the provisions of subsections (c), (d), or (e) of  
26 this Section will remain in effect for the duration of the

1 purchaser's ownership of that item.  
2 (Source: P.A. 100-321, eff. 8-24-17.)

3 Section 10. The Service Use Tax Act is amended by changing  
4 Section 3-51 as follows:

5 (35 ILCS 110/3-51)

6 Sec. 3-51. Motor vehicles; trailers; use as rolling stock  
7 definition.

8 (a) (Blank).

9 (b) (Blank).

10 (c) This subsection (c) applies to motor vehicles, other  
11 than limousines, purchased through June 30, 2017. For motor  
12 vehicles, other than limousines, purchased on or after July 1,  
13 2017, subsection (d-5) applies. This subsection (c) applies to  
14 limousines purchased before, on, or after July 1, 2017. "Use  
15 as rolling stock moving in interstate commerce" in paragraph  
16 (4a) of the definition of "sale of service" in Section 2 and  
17 subsection (b) of Section 3-45 occurs for motor vehicles, as  
18 defined in Section 1-146 of the Illinois Vehicle Code, when  
19 during a 12-month period the rolling stock has carried persons  
20 or property for hire in interstate commerce for greater than  
21 50% of its total trips for that period or for greater than 50%  
22 of its total miles for that period. The person claiming the  
23 exemption shall make an election at the time of purchase to use  
24 either the trips or mileage method. Persons who purchased

1 motor vehicles prior to July 1, 2004 shall make an election to  
2 use either the trips or mileage method and document that  
3 election in their books and records. If no election is made  
4 under this subsection to use the trips or mileage method, the  
5 person shall be deemed to have chosen the mileage method.

6 For purposes of determining qualifying trips or miles,  
7 motor vehicles that carry persons or property for hire, even  
8 just between points in Illinois, will be considered used for  
9 hire in interstate commerce if the motor vehicle transports  
10 persons whose journeys or property whose shipments originate  
11 or terminate outside Illinois. The exemption for motor  
12 vehicles used as rolling stock moving in interstate commerce  
13 may be claimed only for the following vehicles: (i) motor  
14 vehicles whose gross vehicle weight rating exceeds 16,000  
15 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
16 the Illinois Vehicle Code. On and after July 1, 2025, the  
17 exemption for limousines applies only to limousines that are  
18 not subject to the provisions of the Transportation Network  
19 Providers Act. Through June 30, 2017, this definition applies  
20 to all property purchased for the purpose of being attached to  
21 those motor vehicles as a part thereof. On and after July 1,  
22 2017, this definition applies to property purchased for the  
23 purpose of being attached to limousines as a part thereof.  
24 With respect to property that is transferred incident to a  
25 sale of service on or after July 1, 2025 for the purpose of  
26 being attached to limousines as a part thereof, this

1 definition applies only if the limousine is not subject to the  
2 provisions of the Transportation Network Providers Act.

3 (d) For purchases made through June 30, 2017, "use as  
4 rolling stock moving in interstate commerce" in paragraph (4a)  
5 of the definition of "sale of service" in Section 2 and  
6 subsection (b) of Section 3-45 occurs for trailers, as defined  
7 in Section 1-209 of the Illinois Vehicle Code, semitrailers as  
8 defined in Section 1-187 of the Illinois Vehicle Code, and  
9 pole trailers as defined in Section 1-161 of the Illinois  
10 Vehicle Code, when during a 12-month period the rolling stock  
11 has carried persons or property for hire in interstate  
12 commerce for greater than 50% of its total trips for that  
13 period or for greater than 50% of its total miles for that  
14 period. The person claiming the exemption for a trailer or  
15 trailers that will not be dedicated to a motor vehicle or group  
16 of motor vehicles shall make an election at the time of  
17 purchase to use either the trips or mileage method. Persons  
18 who purchased trailers prior to July 1, 2004 that are not  
19 dedicated to a motor vehicle or group of motor vehicles shall  
20 make an election to use either the trips or mileage method and  
21 document that election in their books and records. If no  
22 election is made under this subsection to use the trips or  
23 mileage method, the person shall be deemed to have chosen the  
24 mileage method.

25 For purposes of determining qualifying trips or miles,  
26 trailers, semitrailers, or pole trailers that carry property

1 for hire, even just between points in Illinois, will be  
2 considered used for hire in interstate commerce if the  
3 trailers, semitrailers, or pole trailers transport property  
4 whose shipments originate or terminate outside Illinois. This  
5 definition applies to all property purchased for the purpose  
6 of being attached to those trailers, semitrailers, or pole  
7 trailers as a part thereof. In lieu of a person providing  
8 documentation regarding the qualifying use of each individual  
9 trailer, semitrailer, or pole trailer, that person may  
10 document such qualifying use by providing documentation of the  
11 following:

12 (1) If a trailer, semitrailer, or pole trailer is  
13 dedicated to a motor vehicle that qualifies as rolling  
14 stock moving in interstate commerce under subsection (c)  
15 of this Section, then that trailer, semitrailer, or pole  
16 trailer qualifies as rolling stock moving in interstate  
17 commerce under this subsection.

18 (2) If a trailer, semitrailer, or pole trailer is  
19 dedicated to a group of motor vehicles that all qualify as  
20 rolling stock moving in interstate commerce under  
21 subsection (c) of this Section, then that trailer,  
22 semitrailer, or pole trailer qualifies as rolling stock  
23 moving in interstate commerce under this subsection.

24 (3) If one or more trailers, semitrailers, or pole  
25 trailers are dedicated to a group of motor vehicles and  
26 not all of those motor vehicles in that group qualify as

1 rolling stock moving in interstate commerce under  
2 subsection (c) of this Section, then the percentage of  
3 those trailers, semitrailers, or pole trailers that  
4 qualifies as rolling stock moving in interstate commerce  
5 under this subsection is equal to the percentage of those  
6 motor vehicles in that group that qualify as rolling stock  
7 moving in interstate commerce under subsection (c) of this  
8 Section to which those trailers, semitrailers, or pole  
9 trailers are dedicated. However, to determine the  
10 qualification for the exemption provided under this item  
11 (3), the mathematical application of the qualifying  
12 percentage to one or more trailers, semitrailers, or pole  
13 trailers under this subpart shall not be allowed as to any  
14 fraction of a trailer, semitrailer, or pole trailer.

15 (d-5) For motor vehicles and trailers purchased on or  
16 after July 1, 2017, "use as rolling stock moving in interstate  
17 commerce" means that:

18 (1) the motor vehicle or trailer is used to transport  
19 persons or property for hire;

20 (2) for purposes of the exemption under paragraph (4a)  
21 of the definition of "sale of service" in Section 2, the  
22 purchaser who is an owner, lessor, or shipper claiming the  
23 exemption certifies that the motor vehicle or trailer will  
24 be utilized, from the time of purchase and continuing  
25 through the statute of limitations for issuing a notice of  
26 tax liability under this Act, by an interstate carrier or

1 carriers for hire who hold, and are required by Federal  
2 Motor Carrier Safety Administration regulations to hold,  
3 an active USDOT Number with the Carrier Operation listed  
4 as "Interstate" and the Operation Classification listed as  
5 "authorized for hire", "exempt for hire", or both  
6 "authorized for hire" and "exempt for hire"; except that  
7 this paragraph (2) does not apply to a motor vehicle or  
8 trailer used at an airport to support the operation of an  
9 aircraft moving in interstate commerce, as long as (i) in  
10 the case of a motor vehicle, the motor vehicle meets  
11 paragraphs (1) and (3) of this subsection (d-5) or (ii) in  
12 the case of a trailer, the trailer meets paragraph (1) of  
13 this subsection (d-5); and

14 (3) for motor vehicles, the gross vehicle weight  
15 rating exceeds 16,000 pounds.

16 The definition of "use as rolling stock moving in  
17 interstate commerce" in this subsection (d-5) applies to all  
18 property purchased on or after July 1, 2017 for the purpose of  
19 being attached to a motor vehicle or trailer as a part thereof,  
20 regardless of whether the motor vehicle or trailer was  
21 purchased before, on, or after July 1, 2017.

22 If an item ceases to meet requirements (1) through (3)  
23 under this subsection (d-5), then the tax is imposed on the  
24 selling price, allowing for a reasonable depreciation for the  
25 period during which the item qualified for the exemption.

26 For purposes of this subsection (d-5):

1 "Motor vehicle" excludes limousines, but otherwise  
2 means that term as defined in Section 1-146 of the  
3 Illinois Vehicle Code.

4 "Trailer" means (i) "trailer", as defined in Section  
5 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
6 defined in Section 1-187 of the Illinois Vehicle Code, and  
7 (iii) "pole trailer", as defined in Section 1-161 of the  
8 Illinois Vehicle Code.

9 (e) For aircraft and watercraft purchased on or after  
10 January 1, 2014, "use as rolling stock moving in interstate  
11 commerce" in (i) paragraph (4a) of the definition of "sale of  
12 service" in Section 2 and (ii) subsection (b) of Section 3-45  
13 occurs when, during a 12-month period, the rolling stock has  
14 carried persons or property for hire in interstate commerce  
15 for greater than 50% of its total trips for that period or for  
16 greater than 50% of its total miles for that period. The person  
17 claiming the exemption shall make an election at the time of  
18 purchase to use either the trips or mileage method and  
19 document that election in their books and records. If no  
20 election is made under this subsection to use the trips or  
21 mileage method, the person shall be deemed to have chosen the  
22 mileage method. For aircraft, flight hours may be used in lieu  
23 of recording miles in determining whether the aircraft meets  
24 the mileage test in this subsection. For watercraft, nautical  
25 miles or trip hours may be used in lieu of recording miles in  
26 determining whether the watercraft meets the mileage test in

1 this subsection.

2 Notwithstanding any other provision of law to the  
3 contrary, property purchased on or after January 1, 2014 for  
4 the purpose of being attached to aircraft or watercraft as a  
5 part thereof qualifies as rolling stock moving in interstate  
6 commerce only if the aircraft or watercraft to which it will be  
7 attached qualifies as rolling stock moving in interstate  
8 commerce under the test set forth in this subsection (e),  
9 regardless of when the aircraft or watercraft was purchased.  
10 Persons who purchased aircraft or watercraft prior to January  
11 1, 2014 shall make an election to use either the trips or  
12 mileage method and document that election in their books and  
13 records for the purpose of determining whether property  
14 purchased on or after January 1, 2014 for the purpose of being  
15 attached to aircraft or watercraft as a part thereof qualifies  
16 as rolling stock moving in interstate commerce under this  
17 subsection (e).

18 (f) The election to use either the trips or mileage method  
19 made under the provisions of subsections (c), (d), or (e) of  
20 this Section will remain in effect for the duration of the  
21 purchaser's ownership of that item.

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

23 Section 15. The Service Occupation Tax Act is amended by  
24 changing Section 2d as follows:

1 (35 ILCS 115/2d)

2 Sec. 2d. Motor vehicles; trailers; use as rolling stock  
3 definition.

4 (a) (Blank).

5 (b) (Blank).

6 (c) This subsection (c) applies to motor vehicles, other  
7 than limousines, purchased through June 30, 2017. For motor  
8 vehicles, other than limousines, purchased on or after July 1,  
9 2017, subsection (d-5) applies. This subsection (c) applies to  
10 limousines purchased before, on, or after July 1, 2017. "Use  
11 as rolling stock moving in interstate commerce" in paragraph  
12 (d-1) of the definition of "sale of service" in Section 2  
13 occurs for motor vehicles, as defined in Section 1-146 of the  
14 Illinois Vehicle Code, when during a 12-month period the  
15 rolling stock has carried persons or property for hire in  
16 interstate commerce for greater than 50% of its total trips  
17 for that period or for greater than 50% of its total miles for  
18 that period. The person claiming the exemption shall make an  
19 election at the time of purchase to use either the trips or  
20 mileage method. Persons who purchased motor vehicles prior to  
21 July 1, 2004 shall make an election to use either the trips or  
22 mileage method and document that election in their books and  
23 records. If no election is made under this subsection to use  
24 the trips or mileage method, the person shall be deemed to have  
25 chosen the mileage method.

26 For purposes of determining qualifying trips or miles,

1 motor vehicles that carry persons or property for hire, even  
2 just between points in Illinois, will be considered used for  
3 hire in interstate commerce if the motor vehicle transports  
4 persons whose journeys or property whose shipments originate  
5 or terminate outside Illinois. The exemption for motor  
6 vehicles used as rolling stock moving in interstate commerce  
7 may be claimed only for the following vehicles: (i) motor  
8 vehicles whose gross vehicle weight rating exceeds 16,000  
9 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
10 the Illinois Vehicle Code. On and after July 1, 2025, the  
11 exemption for limousines applies only to limousines that are  
12 not subject to the provisions of the Transportation Network  
13 Providers Act. Through June 30, 2017, this definition applies  
14 to all property purchased for the purpose of being attached to  
15 those motor vehicles as a part thereof. On and after July 1,  
16 2017, this definition applies to property purchased for the  
17 purpose of being attached to limousines as a part thereof.  
18 With respect to property that is transferred incident to a  
19 sale of service on or after July 1, 2025 for the purpose of  
20 being attached to limousines as a part thereof, this  
21 definition applies only if the limousine is not subject to the  
22 provisions of the Transportation Network Providers Act.

23 (d) For purchases made through June 30, 2017, "use as  
24 rolling stock moving in interstate commerce" in paragraph  
25 (d-1) of the definition of "sale of service" in Section 2  
26 occurs for trailers, as defined in Section 1-209 of the

1 Illinois Vehicle Code, semitrailers as defined in Section  
2 1-187 of the Illinois Vehicle Code, and pole trailers as  
3 defined in Section 1-161 of the Illinois Vehicle Code, when  
4 during a 12-month period the rolling stock has carried persons  
5 or property for hire in interstate commerce for greater than  
6 50% of its total trips for that period or for greater than 50%  
7 of its total miles for that period. The person claiming the  
8 exemption for a trailer or trailers that will not be dedicated  
9 to a motor vehicle or group of motor vehicles shall make an  
10 election at the time of purchase to use either the trips or  
11 mileage method. Persons who purchased trailers prior to July  
12 1, 2004 that are not dedicated to a motor vehicle or group of  
13 motor vehicles shall make an election to use either the trips  
14 or mileage method and document that election in their books  
15 and records. If no election is made under this subsection to  
16 use the trips or mileage method, the person shall be deemed to  
17 have chosen the mileage method.

18 For purposes of determining qualifying trips or miles,  
19 trailers, semitrailers, or pole trailers that carry property  
20 for hire, even just between points in Illinois, will be  
21 considered used for hire in interstate commerce if the  
22 trailers, semitrailers, or pole trailers transport property  
23 whose shipments originate or terminate outside Illinois. This  
24 definition applies to all property purchased for the purpose  
25 of being attached to those trailers, semitrailers, or pole  
26 trailers as a part thereof. In lieu of a person providing

1 documentation regarding the qualifying use of each individual  
2 trailer, semitrailer, or pole trailer, that person may  
3 document such qualifying use by providing documentation of the  
4 following:

5 (1) If a trailer, semitrailer, or pole trailer is  
6 dedicated to a motor vehicle that qualifies as rolling  
7 stock moving in interstate commerce under subsection (c)  
8 of this Section, then that trailer, semitrailer, or pole  
9 trailer qualifies as rolling stock moving in interstate  
10 commerce under this subsection.

11 (2) If a trailer, semitrailer, or pole trailer is  
12 dedicated to a group of motor vehicles that all qualify as  
13 rolling stock moving in interstate commerce under  
14 subsection (c) of this Section, then that trailer,  
15 semitrailer, or pole trailer qualifies as rolling stock  
16 moving in interstate commerce under this subsection.

17 (3) If one or more trailers, semitrailers, or pole  
18 trailers are dedicated to a group of motor vehicles and  
19 not all of those motor vehicles in that group qualify as  
20 rolling stock moving in interstate commerce under  
21 subsection (c) of this Section, then the percentage of  
22 those trailers, semitrailers, or pole trailers that  
23 qualifies as rolling stock moving in interstate commerce  
24 under this subsection is equal to the percentage of those  
25 motor vehicles in that group that qualify as rolling stock  
26 moving in interstate commerce under subsection (c) of this

1 Section to which those trailers, semitrailers, or pole  
2 trailers are dedicated. However, to determine the  
3 qualification for the exemption provided under this item  
4 (3), the mathematical application of the qualifying  
5 percentage to one or more trailers, semitrailers, or pole  
6 trailers under this subpart shall not be allowed as to any  
7 fraction of a trailer, semitrailer, or pole trailer.

8 (d-5) For motor vehicles and trailers purchased on or  
9 after July 1, 2017, "use as rolling stock moving in interstate  
10 commerce" means that:

11 (1) the motor vehicle or trailer is used to transport  
12 persons or property for hire;

13 (2) for purposes of the exemption under paragraph  
14 (d-1) of the definition of "sale of service" in Section 2,  
15 the purchaser who is an owner, lessor, or shipper claiming  
16 the exemption certifies that the motor vehicle or trailer  
17 will be utilized, from the time of purchase and continuing  
18 through the statute of limitations for issuing a notice of  
19 tax liability under this Act, by an interstate carrier or  
20 carriers for hire who hold, and are required by Federal  
21 Motor Carrier Safety Administration regulations to hold,  
22 an active USDOT Number with the Carrier Operation listed  
23 as "Interstate" and the Operation Classification listed as  
24 "authorized for hire", "exempt for hire", or both  
25 "authorized for hire" and "exempt for hire"; except that  
26 this paragraph (2) does not apply to a motor vehicle or

1 trailer used at an airport to support the operation of an  
2 aircraft moving in interstate commerce, as long as (i) in  
3 the case of a motor vehicle, the motor vehicle meets  
4 paragraphs (1) and (3) of this subsection (d-5) or (ii) in  
5 the case of a trailer, the trailer meets paragraph (1) of  
6 this subsection (d-5); and

7 (3) for motor vehicles, the gross vehicle weight  
8 rating exceeds 16,000 pounds.

9 The definition of "use as rolling stock moving in  
10 interstate commerce" in this subsection (d-5) applies to all  
11 property purchased on or after July 1, 2017 for the purpose of  
12 being attached to a motor vehicle or trailer as a part thereof,  
13 regardless of whether the motor vehicle or trailer was  
14 purchased before, on, or after July 1, 2017.

15 If an item ceases to meet requirements (1) through (3)  
16 under this subsection (d-5), then the tax is imposed on the  
17 selling price, allowing for a reasonable depreciation for the  
18 period during which the item qualified for the exemption.

19 For purposes of this subsection (d-5):

20 "Motor vehicle" excludes limousines, but otherwise  
21 means that term as defined in Section 1-146 of the  
22 Illinois Vehicle Code.

23 "Trailer" means (i) "trailer", as defined in Section  
24 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
25 defined in Section 1-187 of the Illinois Vehicle Code, and  
26 (iii) "pole trailer", as defined in Section 1-161 of the

1 Illinois Vehicle Code.

2 (e) For aircraft and watercraft purchased on or after  
3 January 1, 2014, "use as rolling stock moving in interstate  
4 commerce" in paragraph (d-1) of the definition of "sale of  
5 service" in Section 2 occurs when, during a 12-month period,  
6 the rolling stock has carried persons or property for hire in  
7 interstate commerce for greater than 50% of its total trips  
8 for that period or for greater than 50% of its total miles for  
9 that period. The person claiming the exemption shall make an  
10 election at the time of purchase to use either the trips or  
11 mileage method and document that election in their books and  
12 records. If no election is made under this subsection to use  
13 the trips or mileage method, the person shall be deemed to have  
14 chosen the mileage method. For aircraft, flight hours may be  
15 used in lieu of recording miles in determining whether the  
16 aircraft meets the mileage test in this subsection. For  
17 watercraft, nautical miles or trip hours may be used in lieu of  
18 recording miles in determining whether the watercraft meets  
19 the mileage test in this subsection.

20 Notwithstanding any other provision of law to the  
21 contrary, property purchased on or after January 1, 2014 for  
22 the purpose of being attached to aircraft or watercraft as a  
23 part thereof qualifies as rolling stock moving in interstate  
24 commerce only if the aircraft or watercraft to which it will be  
25 attached qualifies as rolling stock moving in interstate  
26 commerce under the test set forth in this subsection (e),

1 regardless of when the aircraft or watercraft was purchased.  
2 Persons who purchased aircraft or watercraft prior to January  
3 1, 2014 shall make an election to use either the trips or  
4 mileage method and document that election in their books and  
5 records for the purpose of determining whether property  
6 purchased on or after January 1, 2014 for the purpose of being  
7 attached to aircraft or watercraft as a part thereof qualifies  
8 as rolling stock moving in interstate commerce under this  
9 subsection (e).

10 (f) The election to use either the trips or mileage method  
11 made under the provisions of subsections (c), (d), or (e) of  
12 this Section will remain in effect for the duration of the  
13 purchaser's ownership of that item.

14 (Source: P.A. 102-558, eff. 8-20-21.)

15 Section 20. The Retailers' Occupation Tax Act is amended  
16 by changing Sections 2-5 and 2-51 as follows:

17 (35 ILCS 120/2-5)

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

22 (1) Farm chemicals.

23 (2) Farm machinery and equipment, both new and used,  
24 including that manufactured on special order, certified by

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

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

1 mapping systems, and other such equipment.

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

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

12 This item (2) is exempt from the provisions of Section  
13 2-70.

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

21 (4) Until July 1, 2003 and beginning again September  
22 1, 2004 through August 30, 2014, graphic arts machinery  
23 and equipment, including repair and replacement parts,  
24 both new and used, and including that manufactured on  
25 special order or purchased for lease, certified by the  
26 purchaser to be used primarily for graphic arts

1 production. Equipment includes chemicals or chemicals  
2 acting as catalysts but only if the chemicals or chemicals  
3 acting as catalysts effect a direct and immediate change  
4 upon a graphic arts product. Beginning on July 1, 2017,  
5 graphic arts machinery and equipment is included in the  
6 manufacturing and assembling machinery and equipment  
7 exemption under paragraph (14).

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

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

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

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

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

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

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

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

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

7           (12) (Blank).

8           (12-5) On and after July 1, 2003 and through June 30,  
9           2004, motor vehicles of the second division with a gross  
10          vehicle weight in excess of 8,000 pounds that are subject  
11          to the commercial distribution fee imposed under Section  
12          3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
13          2004 and through June 30, 2005, the use in this State of  
14          motor vehicles of the second division: (i) with a gross  
15          vehicle weight rating in excess of 8,000 pounds; (ii) that  
16          are subject to the commercial distribution fee imposed  
17          under Section 3-815.1 of the Illinois Vehicle Code; and  
18          (iii) that are primarily used for commercial purposes.  
19          Through June 30, 2005, this exemption applies to repair  
20          and replacement parts added after the initial purchase of  
21          such a motor vehicle if that motor vehicle is used in a  
22          manner that would qualify for the rolling stock exemption  
23          otherwise provided for in this Act. For purposes of this  
24          paragraph, "used for commercial purposes" means the  
25          transportation of persons or property in furtherance of  
26          any commercial or industrial enterprise whether for-hire

1 or not.

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

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

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

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

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

22 (17) Tangible personal property sold to a common  
23 carrier by rail or motor that receives the physical  
24 possession of the property in Illinois and that transports  
25 the property, or shares with another common carrier in the  
26 transportation of the property, out of Illinois on a

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

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

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

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

24 (21) Until July 1, 2028, coal and aggregate  
25 exploration, mining, off-highway hauling, processing,  
26 maintenance, and reclamation equipment, including

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

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

17 Beginning July 1, 2013, fuel and petroleum products  
18 sold to or used by an air carrier, certified by the carrier  
19 to be used for consumption, shipment, or storage in the  
20 conduct of its business as an air common carrier, for a  
21 flight that (i) is engaged in foreign trade or is engaged  
22 in trade between the United States and any of its  
23 possessions and (ii) transports at least one individual or  
24 package for hire from the city of origination to the city  
25 of final destination on the same aircraft, without regard  
26 to a change in the flight number of that aircraft.

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

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

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

24          (25-5) The exemption under item (25) does not apply if  
25          the state in which the motor vehicle will be titled does  
26          not allow a reciprocal exemption for a motor vehicle sold

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

1 general rate imposed under this Act.

2 (25-6) There is a rebuttable presumption that the  
3 exemption under item (25) does not apply if the purchaser  
4 is a limited liability company and a member of the limited  
5 liability company is a resident of Illinois. This  
6 presumption may be rebutted by other evidence, such as  
7 evidence the motor vehicle is insured at a garaging or  
8 storage address outside Illinois or other evidence of the  
9 physical address at which the motor vehicle will be stored  
10 or garaged outside Illinois.

11 (25-7) Beginning on July 1, 2007, no tax is imposed  
12 under this Act on the sale of an aircraft, as defined in  
13 Section 3 of the Illinois Aeronautics Act, if all of the  
14 following conditions are met:

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

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

24 (3) the seller retains in his or her books and  
25 records and provides to the Department a signed and  
26 dated certification from the purchaser, on a form

1           prescribed by the Department, certifying that the  
2           requirements of this item (25-7) are met. The  
3           certificate must also include the name and address of  
4           the purchaser, the address of the location where the  
5           aircraft is to be titled or registered, the address of  
6           the primary physical location of the aircraft, and  
7           other information that the Department may reasonably  
8           require.

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

10           "Based in this State" means hangared, stored, or  
11           otherwise used, excluding post-sale customizations as  
12           defined in this Section, for 10 or more days in each  
13           12-month period immediately following the date of the sale  
14           of the aircraft.

15           "Registered in this State" means an aircraft  
16           registered with the Department of Transportation,  
17           Aeronautics Division, or titled or registered with the  
18           Federal Aviation Administration to an address located in  
19           this State.

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

22           (26) Semen used for artificial insemination of  
23           livestock for direct agricultural production.

24           (27) Horses, or interests in horses, registered with  
25           and meeting the requirements of any of the Arabian Horse  
26           Club Registry of America, Appaloosa Horse Club, American

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

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

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

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

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

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

24 (32) Beginning July 1, 1999, game or game birds sold  
25 at a "game breeding and hunting preserve area" as that  
26 term is used in the Wildlife Code. This paragraph is

1 exempt from the provisions of Section 2-70.

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

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

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

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

22 (35-5) Beginning August 23, 2001 and through June 30,  
23 2016, food for human consumption that is to be consumed  
24 off the premises where it is sold (other than alcoholic  
25 beverages, soft drinks, and food that has been prepared  
26 for immediate consumption) and prescription and

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

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

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

1           (38) Beginning on January 1, 2002 and through June 30,  
2           2016, tangible personal property purchased from an  
3           Illinois retailer by a taxpayer engaged in centralized  
4           purchasing activities in Illinois who will, upon receipt  
5           of the property in Illinois, temporarily store the  
6           property in Illinois (i) for the purpose of subsequently  
7           transporting it outside this State for use or consumption  
8           thereafter solely outside this State or (ii) for the  
9           purpose of being processed, fabricated, or manufactured  
10          into, attached to, or incorporated into other tangible  
11          personal property to be transported outside this State and  
12          thereafter used or consumed solely outside this State. The  
13          Director of Revenue shall, pursuant to rules adopted in  
14          accordance with the Illinois Administrative Procedure Act,  
15          issue a permit to any taxpayer in good standing with the  
16          Department who is eligible for the exemption under this  
17          paragraph (38). The permit issued under this paragraph  
18          (38) shall authorize the holder, to the extent and in the  
19          manner specified in the rules adopted under this Act, to  
20          purchase tangible personal property from a retailer exempt  
21          from the taxes imposed by this Act. Taxpayers shall  
22          maintain all necessary books and records to substantiate  
23          the use and consumption of all such tangible personal  
24          property outside of the State of Illinois.

25          (39) Beginning January 1, 2008, tangible personal  
26          property used in the construction or maintenance of a

1 community water supply, as defined under Section 3.145 of  
2 the Environmental Protection Act, that is operated by a  
3 not-for-profit corporation that holds a valid water supply  
4 permit issued under Title IV of the Environmental  
5 Protection Act. This paragraph is exempt from the  
6 provisions of Section 2-70.

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

24 Beginning January 1, 2010 and continuing through  
25 December 31, 2023, this exemption applies only to the sale  
26 of qualifying tangible personal property to persons who

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

24       The changes made to this paragraph (40) by Public Act  
25       98-534 are declarative of existing law. It is the intent  
26       of the General Assembly that the exemption under this

1 paragraph (40) applies continuously from January 1, 2010  
2 through December 31, 2024; however, no claim for credit or  
3 refund is allowed for taxes paid as a result of the  
4 disallowance of this exemption on or after January 1, 2015  
5 and prior to February 5, 2020 (the effective date of  
6 Public Act 101-629).

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

22 (42) Beginning January 1, 2017 and through December  
23 31, 2026, menstrual pads, tampons, and menstrual cups.

24 (43) Merchandise that is subject to the Rental  
25 Purchase Agreement Occupation and Use Tax. The purchaser  
26 must certify that the item is purchased to be rented

1 subject to a rental-purchase agreement, as defined in the  
2 Rental-Purchase Agreement Act, and provide proof of  
3 registration under the Rental Purchase Agreement  
4 Occupation and Use Tax Act. This paragraph is exempt from  
5 the provisions of Section 2-70.

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

21 The Department of Commerce and Economic Opportunity  
22 shall grant a certificate of exemption under this item  
23 (44) to qualified data centers as defined by Section  
24 605-1025 of the Department of Commerce and Economic  
25 Opportunity Law of the Civil Administrative Code of  
26 Illinois.

1 For the purposes of this item (44):

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

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

1 center. The term "qualified tangible personal  
2 property" also includes building materials physically  
3 incorporated into the qualifying data center. To  
4 document the exemption allowed under this Section, the  
5 retailer must obtain from the purchaser a copy of the  
6 certificate of eligibility issued by the Department of  
7 Commerce and Economic Opportunity.

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

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

1 (46) Beginning July 1, 2022, breast pumps, breast pump  
2 collection and storage supplies, and breast pump kits.  
3 This item (46) is exempt from the provisions of Section  
4 2-70. As used in this item (46):

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

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

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

24 "Breast pump collection and storage supplies" does not  
25 include: (1) bottles and bottle caps not specific to the  
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

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

1 sale, a form prescribed by the Department of Revenue  
2 documenting that the transaction is eligible for the  
3 exemption under this paragraph. Retailers must keep the  
4 form as documentation of the exemption in their records  
5 for a period of not less than 6 years. "Armed forces of the  
6 United States" means the United States Army, Navy, Air  
7 Force, Space Force, Marine Corps, or Coast Guard. This  
8 paragraph is exempt from the provisions of Section 2-70.

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

16 (50) ~~(49)~~ Beginning on January 1, 2026, as further  
17 defined in Section 2-10, food for human consumption that  
18 is to be consumed off the premises where it is sold (other  
19 than alcoholic beverages, food consisting of or infused  
20 with adult use cannabis, soft drinks, candy, and food that  
21 has been prepared for immediate consumption). This item  
22 (50) ~~(49)~~ is exempt from the provisions of Section 2-70.

23 (51) ~~(49)~~ Gross receipts from the lease of the  
24 following tangible personal property:

- 25 (1) computer software transferred subject to a  
26 license that meets the following requirements:

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

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

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

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

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

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

1 statement made under penalties of perjury by the  
2 licensor; and

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

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

13 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
14 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
15 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
16 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
17 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
18 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592,  
19 eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24;  
20 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff.  
21 8-9-24; revised 11-26-24.)

22 (35 ILCS 120/2-51)

23 Sec. 2-51. Motor vehicles; trailers; use as rolling stock  
24 definition.

25 (a) (Blank).

1 (b) (Blank).

2 (c) This subsection (c) applies to motor vehicles, other  
3 than limousines, purchased through June 30, 2017. For motor  
4 vehicles, other than limousines, purchased on or after July 1,  
5 2017, subsection (d-5) applies. This subsection (c) applies to  
6 limousines purchased before, on, or after July 1, 2017. "Use  
7 as rolling stock moving in interstate commerce" in paragraph  
8 (13) of Section 2-5 occurs for motor vehicles, as defined in  
9 Section 1-146 of the Illinois Vehicle Code, when during a  
10 12-month period the rolling stock has carried persons or  
11 property for hire in interstate commerce for greater than 50%  
12 of its total trips for that period or for greater than 50% of  
13 its total miles for that period. The person claiming the  
14 exemption shall make an election at the time of purchase to use  
15 either the trips or mileage method. Persons who purchased  
16 motor vehicles prior to July 1, 2004 shall make an election to  
17 use either the trips or mileage method and document that  
18 election in their books and records. If no election is made  
19 under this subsection to use the trips or mileage method, the  
20 person shall be deemed to have chosen the mileage method.

21 For purposes of determining qualifying trips or miles,  
22 motor vehicles that carry persons or property for hire, even  
23 just between points in Illinois, will be considered used for  
24 hire in interstate commerce if the motor vehicle transports  
25 persons whose journeys or property whose shipments originate  
26 or terminate outside Illinois. The exemption for motor

1 vehicles used as rolling stock moving in interstate commerce  
2 may be claimed only for the following vehicles: (i) motor  
3 vehicles whose gross vehicle weight rating exceeds 16,000  
4 pounds; and (ii) limousines, as defined in Section 1-139.1 of  
5 the Illinois Vehicle Code. On and after July 1, 2025, the  
6 exemption for limousines applies only to limousines that are  
7 not subject to the provisions of the Transportation Network  
8 Providers Act. Through June 30, 2017, this definition applies  
9 to all property purchased for the purpose of being attached to  
10 those motor vehicles as a part thereof. On and after July 1,  
11 2017, this definition applies to property purchased for the  
12 purpose of being attached to limousines as a part thereof. For  
13 property that is purchased on or after July 1, 2025 for the  
14 purpose of being attached to a limousines as a part thereof,  
15 this definition applies only if the limousine is not subject  
16 to the provisions of the Transportation Network Providers Act.

17 (d) For purchases made through June 30, 2017, "use as  
18 rolling stock moving in interstate commerce" in paragraph (13)  
19 of Section 2-5 occurs for trailers, as defined in Section  
20 1-209 of the Illinois Vehicle Code, semitrailers as defined in  
21 Section 1-187 of the Illinois Vehicle Code, and pole trailers  
22 as defined in Section 1-161 of the Illinois Vehicle Code, when  
23 during a 12-month period the rolling stock has carried persons  
24 or property for hire in interstate commerce for greater than  
25 50% of its total trips for that period or for greater than 50%  
26 of its total miles for that period. The person claiming the

1 exemption for a trailer or trailers that will not be dedicated  
2 to a motor vehicle or group of motor vehicles shall make an  
3 election at the time of purchase to use either the trips or  
4 mileage method. Persons who purchased trailers prior to July  
5 1, 2004 that are not dedicated to a motor vehicle or group of  
6 motor vehicles shall make an election to use either the trips  
7 or mileage method and document that election in their books  
8 and records. If no election is made under this subsection to  
9 use the trips or mileage method, the person shall be deemed to  
10 have chosen the mileage method.

11 For purposes of determining qualifying trips or miles,  
12 trailers, semitrailers, or pole trailers that carry property  
13 for hire, even just between points in Illinois, will be  
14 considered used for hire in interstate commerce if the  
15 trailers, semitrailers, or pole trailers transport property  
16 whose shipments originate or terminate outside Illinois. This  
17 definition applies to all property purchased for the purpose  
18 of being attached to those trailers, semitrailers, or pole  
19 trailers as a part thereof. In lieu of a person providing  
20 documentation regarding the qualifying use of each individual  
21 trailer, semitrailer, or pole trailer, that person may  
22 document such qualifying use by providing documentation of the  
23 following:

24 (1) If a trailer, semitrailer, or pole trailer is  
25 dedicated to a motor vehicle that qualifies as rolling  
26 stock moving in interstate commerce under subsection (c)

1 of this Section, then that trailer, semitrailer, or pole  
2 trailer qualifies as rolling stock moving in interstate  
3 commerce under this subsection.

4 (2) If a trailer, semitrailer, or pole trailer is  
5 dedicated to a group of motor vehicles that all qualify as  
6 rolling stock moving in interstate commerce under  
7 subsection (c) of this Section, then that trailer,  
8 semitrailer, or pole trailer qualifies as rolling stock  
9 moving in interstate commerce under this subsection.

10 (3) If one or more trailers, semitrailers, or pole  
11 trailers are dedicated to a group of motor vehicles and  
12 not all of those motor vehicles in that group qualify as  
13 rolling stock moving in interstate commerce under  
14 subsection (c) of this Section, then the percentage of  
15 those trailers, semitrailers, or pole trailers that  
16 qualifies as rolling stock moving in interstate commerce  
17 under this subsection is equal to the percentage of those  
18 motor vehicles in that group that qualify as rolling stock  
19 moving in interstate commerce under subsection (c) of this  
20 Section to which those trailers, semitrailers, or pole  
21 trailers are dedicated. However, to determine the  
22 qualification for the exemption provided under this item  
23 (3), the mathematical application of the qualifying  
24 percentage to one or more trailers, semitrailers, or pole  
25 trailers under this subpart shall not be allowed as to any  
26 fraction of a trailer, semitrailer, or pole trailer.

1 (d-5) For motor vehicles and trailers purchased on or  
2 after July 1, 2017, "use as rolling stock moving in interstate  
3 commerce" means that:

4 (1) the motor vehicle or trailer is used to transport  
5 persons or property for hire;

6 (2) for purposes of the exemption under paragraph (13)  
7 of Section 2-5, the purchaser who is an owner, lessor, or  
8 shipper claiming the exemption certifies that the motor  
9 vehicle or trailer will be utilized, from the time of  
10 purchase and continuing through the statute of limitations  
11 for issuing a notice of tax liability under this Act, by an  
12 interstate carrier or carriers for hire who hold, and are  
13 required by Federal Motor Carrier Safety Administration  
14 regulations to hold, an active USDOT Number with the  
15 Carrier Operation listed as "Interstate" and the Operation  
16 Classification listed as "authorized for hire", "exempt  
17 for hire", or both "authorized for hire" and "exempt for  
18 hire"; except that this paragraph (2) does not apply to a  
19 motor vehicle or trailer used at an airport to support the  
20 operation of an aircraft moving in interstate commerce, as  
21 long as (i) in the case of a motor vehicle, the motor  
22 vehicle meets paragraphs (1) and (3) of this subsection  
23 (d-5) or (ii) in the case of a trailer, the trailer meets  
24 paragraph (1) of this subsection (d-5); and

25 (3) for motor vehicles, the gross vehicle weight  
26 rating exceeds 16,000 pounds.

1           The definition of "use as rolling stock moving in  
2 interstate commerce" in this subsection (d-5) applies to all  
3 property purchased on or after July 1, 2017 for the purpose of  
4 being attached to a motor vehicle or trailer as a part thereof,  
5 regardless of whether the motor vehicle or trailer was  
6 purchased before, on, or after July 1, 2017.

7           If an item ceases to meet requirements (1) through (3)  
8 under this subsection (d-5), then the tax is imposed on the  
9 selling price, allowing for a reasonable depreciation for the  
10 period during which the item qualified for the exemption.

11           For purposes of this subsection (d-5):

12           "Motor vehicle" excludes limousines, but otherwise  
13 means that term as defined in Section 1-146 of the  
14 Illinois Vehicle Code.

15           "Trailer" means (i) "trailer", as defined in Section  
16 1-209 of the Illinois Vehicle Code, (ii) "semitrailer", as  
17 defined in Section 1-187 of the Illinois Vehicle Code, and  
18 (iii) "pole trailer", as defined in Section 1-161 of the  
19 Illinois Vehicle Code.

20           (e) For aircraft and watercraft purchased on or after  
21 January 1, 2014, "use as rolling stock moving in interstate  
22 commerce" in paragraph (13) of Section 2-5 occurs when, during  
23 a 12-month period, the rolling stock has carried persons or  
24 property for hire in interstate commerce for greater than 50%  
25 of its total trips for that period or for greater than 50% of  
26 its total miles for that period. The person claiming the

1 exemption shall make an election at the time of purchase to use  
2 either the trips or mileage method and document that election  
3 in their books and records. If no election is made under this  
4 subsection to use the trips or mileage method, the person  
5 shall be deemed to have chosen the mileage method. For  
6 aircraft, flight hours may be used in lieu of recording miles  
7 in determining whether the aircraft meets the mileage test in  
8 this subsection. For watercraft, nautical miles or trip hours  
9 may be used in lieu of recording miles in determining whether  
10 the watercraft meets the mileage test in this subsection.

11 Notwithstanding any other provision of law to the  
12 contrary, property purchased on or after January 1, 2014 for  
13 the purpose of being attached to aircraft or watercraft as a  
14 part thereof qualifies as rolling stock moving in interstate  
15 commerce only if the aircraft or watercraft to which it will be  
16 attached qualifies as rolling stock moving in interstate  
17 commerce under the test set forth in this subsection (e),  
18 regardless of when the aircraft or watercraft was purchased.  
19 Persons who purchased aircraft or watercraft prior to January  
20 1, 2014 shall make an election to use either the trips or  
21 mileage method and document that election in their books and  
22 records for the purpose of determining whether property  
23 purchased on or after January 1, 2014 for the purpose of being  
24 attached to aircraft or watercraft as a part thereof qualifies  
25 as rolling stock moving in interstate commerce under this  
26 subsection (e).

1           (f) The election to use either the trips or mileage method  
2 made under the provisions of subsections (c), (d), or (e) of  
3 this Section will remain in effect for the duration of the  
4 purchaser's ownership of that item.

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

6           Section 25. The Illinois Vehicle Code is amended by  
7 changing Section 3-1001 as follows:

8           (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

9           Sec. 3-1001. A tax is hereby imposed on the privilege of  
10 using, in this State, any motor vehicle as defined in Section  
11 1-146 of this Code acquired by gift, transfer, or purchase,  
12 and having a year model designation preceding the year of  
13 application for title by 5 or fewer years prior to October 1,  
14 1985 and 10 or fewer years on and after October 1, 1985 and  
15 prior to January 1, 1988. On and after January 1, 1988, the tax  
16 shall apply to all motor vehicles without regard to model  
17 year. Except that the tax shall not apply:

18           (i) if the use of the motor vehicle is otherwise taxed  
19 under the Use Tax Act;

20           (ii) if the motor vehicle is bought and used by a  
21 governmental agency or a society, association, foundation  
22 or institution organized and operated exclusively for  
23 charitable, religious or educational purposes;

24           (iii) if the use of the motor vehicle is not subject to

1 the Use Tax Act by reason of subsection (a), (b), (c), (d),  
 2 (e) or (f) of Section 3-55 of that Act dealing with the  
 3 prevention of actual or likely multistate taxation;

4 (iv) to implements of husbandry;

5 (v) when a junking certificate is issued pursuant to  
 6 Section 3-117(a) of this Code;

7 (vi) when a vehicle is subject to the replacement  
 8 vehicle tax imposed by Section 3-2001 of this Act;

9 (vii) when the transfer is a gift to a beneficiary in  
 10 the administration of an estate and the beneficiary is a  
 11 surviving spouse; ~~:-~~

12 (viii) if the motor vehicle is purchased for the  
 13 purpose of resale by a retailer registered under Section  
 14 2a of the Retailers' Occupation Tax Act.

15 Prior to January 1, 1988, the rate of tax shall be 5% of  
 16 the selling price for each purchase of a motor vehicle covered  
 17 by Section 3-1001 of this Code. Except as hereinafter  
 18 provided, beginning January 1, 1988 and until January 1, 2022,  
 19 the rate of tax shall be as follows for transactions in which  
 20 the selling price of the motor vehicle is less than \$15,000:

Number of Years Transpired After	Applicable Tax
Model Year of Motor Vehicle	
1 or less	\$390
2	290
3	215
4	165

1	5	115
2	6	90
3	7	80
4	8	65
5	9	50
6	10	40
7	over 10	25

8 Except as hereinafter provided, beginning January 1, 1988 and  
 9 until January 1, 2022, the rate of tax shall be as follows for  
 10 transactions in which the selling price of the motor vehicle  
 11 is \$15,000 or more:

12	Selling Price	Applicable Tax
13	\$15,000 - \$19,999	\$ 750
14	\$20,000 - \$24,999	\$1,000
15	\$25,000 - \$29,999	\$1,250
16	\$30,000 and over	\$1,500

17 Except as hereinafter provided, beginning on January 1,  
 18 2022, the rate of tax shall be as follows for transactions in  
 19 which the selling price of the motor vehicle is less than  
 20 \$15,000:

21 (1) if one year or less has transpired after the model  
 22 year of the vehicle, then the applicable tax is \$465;

23 (2) if 2 years have transpired after the model year of  
 24 the motor vehicle, then the applicable tax is \$365;

25 (3) if 3 years have transpired after the model year of  
 26 the motor vehicle, then the applicable tax is \$290;

1           (4) if 4 years have transpired after the model year of  
2 the motor vehicle, then the applicable tax is \$240;

3           (5) if 5 years have transpired after the model year of  
4 the motor vehicle, then the applicable tax is \$190;

5           (6) if 6 years have transpired after the model year of  
6 the motor vehicle, then the applicable tax is \$165;

7           (7) if 7 years have transpired after the model year of  
8 the motor vehicle, then the applicable tax is \$155;

9           (8) if 8 years have transpired after the model year of  
10 the motor vehicle, then the applicable tax is \$140;

11           (9) if 9 years have transpired after the model year of  
12 the motor vehicle, then the applicable tax is \$125;

13           (10) if 10 years have transpired after the model year  
14 of the motor vehicle, then the applicable tax is \$115; and

15           (11) if more than 10 years have transpired after the  
16 model year of the motor vehicle, then the applicable tax  
17 is \$100.

18           Except as hereinafter provided, beginning on January 1,  
19 2022, the rate of tax shall be as follows for transactions in  
20 which the selling price of the motor vehicle is \$15,000 or  
21 more:

22           (1) if the selling price is \$15,000 or more, but less  
23 than \$20,000, then the applicable tax shall be \$850;

24           (2) if the selling price is \$20,000 or more, but less  
25 than \$25,000, then the applicable tax shall be \$1,100;

26           (3) if the selling price is \$25,000 or more, but less

1 than \$30,000, then the applicable tax shall be \$1,350;

2 (4) if the selling price is \$30,000 or more, but less  
3 than \$50,000, then the applicable tax shall be \$1,600;

4 (5) if the selling price is \$50,000 or more, but less  
5 than \$100,000, then the applicable tax shall be \$2,600;

6 (6) if the selling price is \$100,000 or more, but less  
7 than \$1,000,000, then the applicable tax shall be \$5,100;  
8 and

9 (7) if the selling price is \$1,000,000 or more, then  
10 the applicable tax shall be \$10,100.

11 For the following transactions, the tax rate shall be \$15 for  
12 each motor vehicle acquired in such transaction:

13 (i) when the transferee or purchaser is the spouse,  
14 mother, father, brother, sister or child of the  
15 transferor;

16 (ii) when the transfer is a gift to a beneficiary in  
17 the administration of an estate, including, but not  
18 limited to, the administration of an inter vivos trust  
19 that became irrevocable upon the death of a grantor, and  
20 the beneficiary is not a surviving spouse;

21 (iii) when a motor vehicle which has once been  
22 subjected to the Illinois retailers' occupation tax or use  
23 tax is transferred in connection with the organization,  
24 reorganization, dissolution or partial liquidation of an  
25 incorporated or unincorporated business wherein the  
26 beneficial ownership is not changed.

1           A claim that the transaction is taxable under subparagraph  
2           (i) shall be supported by such proof of family relationship as  
3           provided by rules of the Department.

4           For a transaction in which a motorcycle, motor driven  
5           cycle or moped is acquired the tax rate shall be \$25.

6           On and after October 1, 1985 and until January 1, 2022,  
7           1/12 of \$5,000,000 of the moneys received by the Department of  
8           Revenue pursuant to this Section shall be paid each month into  
9           the Build Illinois Fund; on and after January 1, 2022, 1/12 of  
10          \$40,000,000 of the moneys received by the Department of  
11          Revenue pursuant to this Section shall be paid each month into  
12          the Build Illinois Fund; and the remainder shall be paid into  
13          the General Revenue Fund.

14          The tax imposed by this Section shall be abated and no  
15          longer imposed when the amount deposited to secure the bonds  
16          issued pursuant to the Build Illinois Bond Act is sufficient  
17          to provide for the payment of the principal of, and interest  
18          and premium, if any, on the bonds, as certified to the State  
19          Comptroller and the Director of Revenue by the Director of the  
20          Governor's Office of Management and Budget.

21          (Source: P.A. 102-353, eff. 1-1-22; 102-762, eff. 5-13-22.)

22          Section 99. Effective date. This Act takes effect upon  
23          becoming law.