



Sen. Celina Villanueva

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LRB104 03451 HLH 22956 a

1 AMENDMENT TO SENATE BILL 2027

2 AMENDMENT NO. _____. Amend Senate Bill 2027 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing
5 Sections 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).

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

10 (d) The use, in this State, of tangible personal property
11 that is acquired outside this State and caused to be brought
12 into this State by a person who has already paid a tax in
13 another State in respect to the sale, purchase, or use of that
14 property, to the extent of the amount of the tax properly due
15 and paid in the other State.

16 (e) The temporary storage, in this State, of tangible
17 personal property that is acquired outside this State and
18 that, after being brought into this State and stored here
19 temporarily, is used solely outside this State or is
20 physically attached to or incorporated into other tangible
21 personal property that is used solely outside this State, or
22 is altered by converting, fabricating, manufacturing,
23 printing, processing, or shaping, and, as altered, is used
24 solely outside this State.

25 (f) The temporary storage in this State of building
26 materials and fixtures that are acquired either in this State

1 or outside this State by an Illinois registered combination
2 retailer and construction contractor, and that the purchaser
3 thereafter uses outside this State by incorporating that
4 property into real estate located outside this State.

5 (g) The use or purchase of tangible personal property by a
6 common carrier by rail or motor that receives the physical
7 possession of the property in Illinois, and that transports
8 the property, or shares with another common carrier in the
9 transportation of the property, out of Illinois on a standard
10 uniform bill of lading showing the seller of the property as
11 the shipper or consignor of the property to a destination
12 outside Illinois, for use outside Illinois.

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

26 (h-1) The exemption under subsection (h) does not apply if

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

1 the tax were collected at the 6.25% general rate imposed under
2 this Act.

3 (h-1.5) There is a rebuttable presumption that the
4 exemption under subsection (h) does not apply if the purchaser
5 is a limited liability company and a member of the limited
6 liability company is a resident of Illinois. This presumption
7 may be rebutted by other evidence, such as evidence the motor
8 vehicle is insured for primary use at an address outside of
9 Illinois or evidence that the motor vehicle will be
10 permanently stored or garaged at a physical address outside
11 Illinois.

12 (h-2) The following exemptions apply with respect to
13 certain aircraft:

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

18 (A) the aircraft leaves this State within 15 days
19 after the later of either the issuance of the final
20 billing for the purchase of the aircraft or the
21 authorized approval for return to service, completion
22 of the maintenance record entry, and completion of the
23 test flight and ground test for inspection, as
24 required by 14 C.F.R. 91.407;

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

1 (C) the purchaser provides the Department with a
2 signed and dated certification, on a form prescribed
3 by the Department, certifying that the requirements of
4 this item (1) are met. The certificate must also
5 include the name and address of the purchaser, the
6 address of the location where the aircraft is to be
7 titled or registered, the address of the primary
8 physical location of the aircraft, and other
9 information that the Department may reasonably
10 require.

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

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

18 (B) the purchaser provides the Department with a
19 signed and dated certification, on a form prescribed
20 by the Department, certifying that the requirements of
21 this item (2) are met. The certificate must also
22 include the name and address of the purchaser, the
23 address of the location where the aircraft is to be
24 titled or registered, the address of the primary
25 physical location of the aircraft, and other
26 information that the Department may reasonably

1 require.

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

7 (A) the aircraft leaves this State within 15 days
8 after the authorized approval for return to service,
9 completion of the maintenance record entry, and
10 completion of the test flight and ground test for
11 inspection, as required by 14 C.F.R. 91.407;

12 (B) the aircraft is not based or registered in
13 this State either before or after the post-sale
14 customization; and

15 (C) the purchaser provides the Department with a
16 signed and dated certification, on a form prescribed
17 by the Department, certifying that the requirements of
18 this item (3) are met. The certificate must also
19 include the name and address of the purchaser, the
20 address of the location where the aircraft is to be
21 titled or registered, the address of the primary
22 physical location of the aircraft, and other
23 information that the Department may reasonably
24 require.

25 If tax becomes due under this subsection (h-2) because of
26 the purchaser's use of the aircraft in this State, the

1 purchaser shall file a return with the Department and pay the
2 tax on the fair market value of the aircraft. This return and
3 payment of the tax must be made no later than 30 days after the
4 aircraft is used in a taxable manner in this State. The tax is
5 based on the fair market value of the aircraft on the date that
6 it is first used in a taxable manner in this State.

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

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

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

15 "Prepurchase evaluation" means an examination of an
16 aircraft to provide a potential purchaser with information
17 relevant to the potential purchase.

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

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

24 (i) Beginning July 1, 1999, the use, in this State, of fuel
25 acquired outside this State and brought into this State in the
26 fuel supply tanks of locomotives engaged in freight hauling

1 and passenger service for interstate commerce. This subsection
2 is exempt from the provisions of Section 3-90.

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

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

1 (35 ILCS 105/3-61)

2 Sec. 3-61. 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 (c) of Section 3-55 occurs for motor vehicles, as defined in
13 Section 1-146 of the Illinois Vehicle Code, when during a
14 12-month period the rolling stock has carried persons or
15 property for hire in interstate commerce for greater than 50%
16 of its total trips for that period or for greater than 50% of
17 its total miles for that period. The person claiming the
18 exemption shall make an election at the time of purchase to use
19 either the trips or mileage method. Persons who purchased
20 motor vehicles prior to July 1, 2004 shall make an election to
21 use either the trips or mileage method and document that
22 election in their books and records. If no election is made
23 under this subsection to use the trips or mileage method, the
24 person shall be deemed to have chosen the mileage method.

25 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 if those limousines are
12 not used to provide transportation network company services,
13 as defined in the Transportation Network Providers Act.
14 Through June 30, 2017, this definition applies to all property
15 purchased for the purpose of being attached to those motor
16 vehicles as a part thereof. On and after July 1, 2017, this
17 definition applies to property purchased for the purpose of
18 being attached to limousines as a part thereof. For property
19 that is purchased on or after July 1, 2025 for the purpose of
20 being attached to a limousine as a part thereof, this
21 definition applies only if the limousine is not used to
22 provide transportation network company services, as defined in
23 the Transportation Network Providers Act.

24 (d) For purchases made through June 30, 2017, "use as
25 rolling stock moving in interstate commerce" in paragraph (c)
26 of Section 3-55 occurs for trailers, as defined in Section

1 1-209 of the Illinois Vehicle Code, semitrailers as defined in
2 Section 1-187 of the Illinois Vehicle Code, and pole trailers
3 as 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 subsection (c)
14 of Section 3-55, the purchaser who is an owner, lessor, or
15 shipper claiming the exemption certifies that the motor
16 vehicle or trailer will be utilized, from the time of
17 purchase and continuing through the statute of limitations
18 for issuing a notice of tax liability under this Act, by an
19 interstate carrier or carriers for hire who hold, and are
20 required by Federal Motor Carrier Safety Administration
21 regulations to hold, an active USDOT Number with the
22 Carrier Operation listed as "Interstate" and the Operation
23 Classification listed as "authorized for hire", "exempt
24 for hire", or both "authorized for hire" and "exempt for
25 hire"; except that this paragraph (2) does not apply to a
26 motor vehicle or trailer used at an airport to support the

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

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

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

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

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

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

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

1 (e) For aircraft and watercraft purchased on or after
2 January 1, 2014, "use as rolling stock moving in interstate
3 commerce" in paragraph (c) of Section 3-55 occurs when, during
4 a 12-month period, the rolling stock has carried persons or
5 property for hire in interstate commerce for greater than 50%
6 of its total trips for that period or for greater than 50% of
7 its total miles for that period. The person claiming the
8 exemption shall make an election at the time of purchase to use
9 either the trips or mileage method and document that election
10 in their books and records. If no election is made under this
11 subsection to use the trips or mileage method, the person
12 shall be deemed to have chosen the mileage method. For
13 aircraft, flight hours may be used in lieu of recording miles
14 in determining whether the aircraft meets the mileage test in
15 this subsection. For watercraft, nautical miles or trip hours
16 may be used in lieu of recording miles in determining whether
17 the watercraft meets the mileage test in this subsection.

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

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

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

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

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

15 (35 ILCS 110/3-51)

16 Sec. 3-51. Motor vehicles; trailers; use as rolling stock
17 definition.

18 (a) (Blank).

19 (b) (Blank).

20 (c) This subsection (c) applies to motor vehicles, other
21 than limousines, purchased through June 30, 2017. For motor
22 vehicles, other than limousines, purchased on or after July 1,
23 2017, subsection (d-5) applies. This subsection (c) applies to
24 limousines purchased before, on, or after July 1, 2017. "Use

1 as rolling stock moving in interstate commerce" in paragraph
2 (4a) of the definition of "sale of service" in Section 2 and
3 subsection (b) of Section 3-45 occurs for motor vehicles, as
4 defined in Section 1-146 of the Illinois Vehicle Code, when
5 during a 12-month period the rolling stock has carried persons
6 or property for hire in interstate commerce for greater than
7 50% of its total trips for that period or for greater than 50%
8 of its total miles for that period. The person claiming the
9 exemption shall make an election at the time of purchase to use
10 either the trips or mileage method. Persons who purchased
11 motor vehicles prior to July 1, 2004 shall make an election to
12 use either the trips or mileage method and document that
13 election in their books and records. If no election is made
14 under this subsection to use the trips or mileage method, the
15 person shall be deemed to have chosen the mileage method.

16 For purposes of determining qualifying trips or miles,
17 motor vehicles that carry persons or property for hire, even
18 just between points in Illinois, will be considered used for
19 hire in interstate commerce if the motor vehicle transports
20 persons whose journeys or property whose shipments originate
21 or terminate outside Illinois. The exemption for motor
22 vehicles used as rolling stock moving in interstate commerce
23 may be claimed only for the following vehicles: (i) motor
24 vehicles whose gross vehicle weight rating exceeds 16,000
25 pounds; and (ii) limousines, as defined in Section 1-139.1 of
26 the Illinois Vehicle Code. On and after July 1, 2025, the

1 exemption for limousines applies only if those limousines are
2 not used to provide transportation network company services,
3 as defined in the Transportation Network Providers Act.

4 Through June 30, 2017, this definition applies to all property
5 purchased for the purpose of being attached to those motor
6 vehicles as a part thereof. On and after July 1, 2017, this
7 definition applies to property purchased for the purpose of
8 being attached to limousines as a part thereof. With respect
9 to property that is transferred incident to a sale of service
10 on or after July 1, 2025 for the purpose of being attached to a
11 limousine as a part thereof, this definition applies only if
12 the limousine is not used to provide transportation network
13 company services, as defined in the Transportation Network
14 Providers Act.

15 (d) For purchases made through June 30, 2017, "use as
16 rolling stock moving in interstate commerce" in paragraph (4a)
17 of the definition of "sale of service" in Section 2 and
18 subsection (b) of Section 3-45 occurs for trailers, as defined
19 in Section 1-209 of the Illinois Vehicle Code, semitrailers as
20 defined in Section 1-187 of the Illinois Vehicle Code, and
21 pole trailers as defined in Section 1-161 of the Illinois
22 Vehicle Code, when during a 12-month period the rolling stock
23 has carried persons or property for hire in interstate
24 commerce for greater than 50% of its total trips for that
25 period or for greater than 50% of its total miles for that
26 period. The person claiming the exemption for a trailer or

1 trailers that will not be dedicated to a motor vehicle or group
2 of motor vehicles shall make an election at the time of
3 purchase to use either the trips or mileage method. Persons
4 who purchased trailers prior to July 1, 2004 that are not
5 dedicated to a motor vehicle or group of motor vehicles shall
6 make an election to use either the trips or mileage method and
7 document that election in their books and records. If no
8 election is made under this subsection to use the trips or
9 mileage method, the person shall be deemed to have chosen the
10 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 (4a)
7 of the definition of "sale of service" in Section 2, the
8 purchaser who is an owner, lessor, or shipper claiming the
9 exemption certifies that the motor vehicle or trailer will
10 be utilized, from the time of purchase and continuing
11 through the statute of limitations for issuing a notice of
12 tax liability under this Act, by an interstate carrier or
13 carriers for hire who hold, and are required by Federal
14 Motor Carrier Safety Administration regulations to hold,
15 an active USDOT Number with the Carrier Operation listed
16 as "Interstate" and the Operation Classification listed as
17 "authorized for hire", "exempt for hire", or both
18 "authorized for hire" and "exempt for hire"; except that
19 this paragraph (2) does not apply to a motor vehicle or
20 trailer used at an airport to support the operation of an
21 aircraft moving in interstate commerce, as long as (i) in
22 the case of a motor vehicle, the motor vehicle meets
23 paragraphs (1) and (3) of this subsection (d-5) or (ii) in
24 the case of a trailer, the trailer meets paragraph (1) of
25 this subsection (d-5); and

26 (3) for motor vehicles, the gross vehicle weight

1 rating exceeds 16,000 pounds.

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

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

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

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

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

21 (e) For aircraft and watercraft purchased on or after
22 January 1, 2014, "use as rolling stock moving in interstate
23 commerce" in (i) paragraph (4a) of the definition of "sale of
24 service" in Section 2 and (ii) subsection (b) of Section 3-45
25 occurs when, during a 12-month period, the rolling stock has
26 carried persons or property for hire in interstate commerce

1 for greater than 50% of its total trips for that period or for
2 greater than 50% of its total miles for that period. The person
3 claiming the exemption shall make an election at the time of
4 purchase to use either the trips or mileage method and
5 document that election in their books and records. If no
6 election is made under this subsection to use the trips or
7 mileage method, the person shall be deemed to have chosen the
8 mileage method. For aircraft, flight hours may be used in lieu
9 of recording miles in determining whether the aircraft meets
10 the mileage test in this subsection. For watercraft, nautical
11 miles or trip hours may be used in lieu of recording miles in
12 determining whether the watercraft meets the mileage test in
13 this subsection.

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

1 attached to aircraft or watercraft as a part thereof qualifies
2 as rolling stock moving in interstate commerce under this
3 subsection (e).

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

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

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

11 (35 ILCS 115/2d)

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

14 (a) (Blank).

15 (b) (Blank).

16 (c) This subsection (c) applies to motor vehicles, other
17 than limousines, purchased through June 30, 2017. For motor
18 vehicles, other than limousines, purchased on or after July 1,
19 2017, subsection (d-5) applies. This subsection (c) applies to
20 limousines purchased before, on, or after July 1, 2017. "Use
21 as rolling stock moving in interstate commerce" in paragraph
22 (d-1) of the definition of "sale of service" in Section 2
23 occurs for motor vehicles, as defined in Section 1-146 of the
24 Illinois Vehicle Code, when during a 12-month period the

1 rolling stock has carried persons or property for hire in
2 interstate commerce for greater than 50% of its total trips
3 for that period or for greater than 50% of its total miles for
4 that period. The person claiming the exemption shall make an
5 election at the time of purchase to use either the trips or
6 mileage method. Persons who purchased motor vehicles prior to
7 July 1, 2004 shall make an election to use either the trips or
8 mileage method and document that election in their books and
9 records. If no election is made under this subsection to use
10 the trips or mileage method, the person shall be deemed to have
11 chosen the mileage method.

12 For purposes of determining qualifying trips or miles,
13 motor vehicles that carry persons or property for hire, even
14 just between points in Illinois, will be considered used for
15 hire in interstate commerce if the motor vehicle transports
16 persons whose journeys or property whose shipments originate
17 or terminate outside Illinois. The exemption for motor
18 vehicles used as rolling stock moving in interstate commerce
19 may be claimed only for the following vehicles: (i) motor
20 vehicles whose gross vehicle weight rating exceeds 16,000
21 pounds; and (ii) limousines, as defined in Section 1-139.1 of
22 the Illinois Vehicle Code. On and after July 1, 2025, the
23 exemption for limousines applies only if those limousines are
24 not used to provide transportation network company services,
25 as defined in the Transportation Network Providers Act.
26 Through June 30, 2017, this definition applies to all property

1 purchased for the purpose of being attached to those motor
2 vehicles as a part thereof. On and after July 1, 2017, this
3 definition applies to property purchased for the purpose of
4 being attached to limousines as a part thereof. With respect
5 to property that is transferred incident to a sale of service
6 on or after July 1, 2025 for the purpose of being attached to a
7 limousine as a part thereof, this definition applies only if
8 the limousine is not used to provide transportation network
9 company services, as defined in the Transportation Network
10 Providers Act.

11 (d) For purchases made through June 30, 2017, "use as
12 rolling stock moving in interstate commerce" in paragraph
13 (d-1) of the definition of "sale of service" in Section 2
14 occurs for trailers, as defined in Section 1-209 of the
15 Illinois Vehicle Code, semitrailers as defined in Section
16 1-187 of the Illinois Vehicle Code, and pole trailers as
17 defined in Section 1-161 of the Illinois Vehicle Code, when
18 during a 12-month period the rolling stock has carried persons
19 or property for hire in interstate commerce for greater than
20 50% of its total trips for that period or for greater than 50%
21 of its total miles for that period. The person claiming the
22 exemption for a trailer or trailers that will not be dedicated
23 to a motor vehicle or group of motor vehicles shall make an
24 election at the time of purchase to use either the trips or
25 mileage method. Persons who purchased trailers prior to July
26 1, 2004 that are not dedicated to a motor vehicle or group of

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

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

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

25 (2) If a trailer, semitrailer, or pole trailer is
26 dedicated to a group of motor vehicles that all qualify as

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

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

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

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

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

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

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

1 regardless of whether the motor vehicle or trailer was
2 purchased before, on, or after July 1, 2017.

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

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

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

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

16 (e) For aircraft and watercraft purchased on or after
17 January 1, 2014, "use as rolling stock moving in interstate
18 commerce" in paragraph (d-1) of the definition of "sale of
19 service" in Section 2 occurs when, during a 12-month period,
20 the rolling stock has carried persons or property for hire in
21 interstate commerce for greater than 50% of its total trips
22 for that period or for greater than 50% of its total miles for
23 that period. The person claiming the exemption shall make an
24 election at the time of purchase to use either the trips or
25 mileage method and document that election in their books and
26 records. If no election is made under this subsection to use

1 the trips or mileage method, the person shall be deemed to have
2 chosen the mileage method. For aircraft, flight hours may be
3 used in lieu of recording miles in determining whether the
4 aircraft meets the mileage test in this subsection. For
5 watercraft, nautical miles or trip hours may be used in lieu of
6 recording miles in determining whether the watercraft meets
7 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. 102-558, eff. 8-20-21.)

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

5 (35 ILCS 120/2-5)

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

10 (1) Farm chemicals.

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

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

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

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

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

26 This item (2) is exempt from the provisions of Section

1 2-70.

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

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

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

26 (6) Personal property sold by a teacher-sponsored

1 student organization affiliated with an elementary or
2 secondary school located in Illinois.

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

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

9 (9) Personal property sold to a not-for-profit arts or
10 cultural organization that establishes, by proof required
11 by the Department by rule, that it has received an
12 exemption under Section 501(c)(3) of the Internal Revenue
13 Code and that is organized and operated primarily for the
14 presentation or support of arts or cultural programming,
15 activities, or services. These organizations include, but
16 are not limited to, music and dramatic arts organizations
17 such as symphony orchestras and theatrical groups, arts
18 and cultural service organizations, local arts councils,
19 visual arts organizations, and media arts organizations.
20 On and after July 1, 2001 (the effective date of Public Act
21 92-35), however, an entity otherwise eligible for this
22 exemption shall not make tax-free purchases unless it has
23 an active identification number issued by the Department.

24 (10) Personal property sold by a corporation, society,
25 association, foundation, institution, or organization,
26 other than a limited liability company, that is organized

1 and operated as a not-for-profit service enterprise for
2 the benefit of persons 65 years of age or older if the
3 personal property was not purchased by the enterprise for
4 the purpose of resale by the enterprise.

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

21 (12) (Blank).

22 (12-5) On and after July 1, 2003 and through June 30,
23 2004, motor vehicles of the second division with a gross
24 vehicle weight in excess of 8,000 pounds that are subject
25 to the commercial distribution fee imposed under Section
26 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,

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

16 (13) Proceeds from sales to owners or lessors,
17 lessees, or shippers of tangible personal property that is
18 utilized by interstate carriers for hire for use as
19 rolling stock moving in interstate commerce and equipment
20 operated by a telecommunications provider, licensed as a
21 common carrier by the Federal Communications Commission,
22 which is permanently installed in or affixed to aircraft
23 moving in interstate commerce.

24 (14) Machinery and equipment that will be used by the
25 purchaser, or a lessee of the purchaser, primarily in the
26 process of manufacturing or assembling tangible personal

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

24 (15) Proceeds of mandatory service charges separately
25 stated on customers' bills for purchase and consumption of
26 food and beverages, to the extent that the proceeds of the

1 service charge are in fact turned over as tips or as a
2 substitute for tips to the employees who participate
3 directly in preparing, serving, hosting or cleaning up the
4 food or beverage function with respect to which the
5 service charge is imposed.

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

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

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

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

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

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

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

24 (22) Until June 30, 2013, fuel and petroleum products
25 sold to or used by an air carrier, certified by the carrier
26 to be used for consumption, shipment, or storage in the

1 conduct of its business as an air common carrier, for a
2 flight destined for or returning from a location or
3 locations outside the United States without regard to
4 previous or subsequent domestic stopovers.

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

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

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

25 (25) Except as provided in items ~~item~~ (25-5) and
26 (25-6) of this Section, a motor vehicle sold in this State

1 to a nonresident even though the motor vehicle is
2 delivered to the nonresident in this State, if the motor
3 vehicle is not to be titled in this State, and if a
4 drive-away permit is issued to the motor vehicle as
5 provided in Section 3-603 of the Illinois Vehicle Code or
6 if the nonresident purchaser has vehicle registration
7 plates to transfer to the motor vehicle upon returning to
8 his or her home state. The issuance of the drive-away
9 permit or having the out-of-state registration plates to
10 be transferred is prima facie evidence that the motor
11 vehicle will not be titled in this State.

12 (25-5) The exemption under item (25) does not apply if
13 the state in which the motor vehicle will be titled does
14 not allow a reciprocal exemption for a motor vehicle sold
15 and delivered in that state to an Illinois resident but
16 titled in Illinois. The tax collected under this Act on
17 the sale of a motor vehicle in this State to a resident of
18 another state that does not allow a reciprocal exemption
19 shall be imposed at a rate equal to the state's rate of tax
20 on taxable property in the state in which the purchaser is
21 a resident, except that the tax shall not exceed the tax
22 that would otherwise be imposed under this Act. At the
23 time of the sale, the purchaser shall execute a statement,
24 signed under penalty of perjury, of his or her intent to
25 title the vehicle in the state in which the purchaser is a
26 resident within 30 days after the sale and of the fact of

1 the payment to the State of Illinois of tax in an amount
2 equivalent to the state's rate of tax on taxable property
3 in his or her state of residence and shall submit the
4 statement to the appropriate tax collection agency in his
5 or her state of residence. In addition, the retailer must
6 retain a signed copy of the statement in his or her
7 records. Nothing in this item shall be construed to
8 require the removal of the vehicle from this state
9 following the filing of an intent to title the vehicle in
10 the purchaser's state of residence if the purchaser titles
11 the vehicle in his or her state of residence within 30 days
12 after the date of sale. The tax collected under this Act in
13 accordance with this item (25-5) shall be proportionately
14 distributed as if the tax were collected at the 6.25%
15 general rate imposed under this Act.

16 (25-6) There is a rebuttable presumption that the
17 exemption under item (25) does not apply if the purchaser
18 is a limited liability company and a member of the limited
19 liability company is a resident of Illinois. This
20 presumption may be rebutted by other evidence, such as
21 evidence the motor vehicle is insured at a garaging or
22 storage address outside Illinois or other evidence of the
23 physical address at which the motor vehicle will be
24 permanently stored or garaged outside Illinois.

25 (25-7) Beginning on July 1, 2007, no tax is imposed
26 under this Act on the sale of an aircraft, as defined in

1 Section 3 of the Illinois Aeronautics Act, if all of the
2 following conditions are met:

3 (1) the aircraft leaves this State within 15 days
4 after the later of either the issuance of the final
5 billing for the sale of the aircraft, or the
6 authorized approval for return to service, completion
7 of the maintenance record entry, and completion of the
8 test flight and ground test for inspection, as
9 required by 14 CFR 91.407;

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

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

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

24 "Based in this State" means hangared, stored, or
25 otherwise used, excluding post-sale customizations as
26 defined in this Section, for 10 or more days in each

1 12-month period immediately following the date of the sale
2 of the aircraft.

3 "Registered in this State" means an aircraft
4 registered with the Department of Transportation,
5 Aeronautics Division, or titled or registered with the
6 Federal Aviation Administration to an address located in
7 this State.

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

10 (26) Semen used for artificial insemination of
11 livestock for direct agricultural production.

12 (27) Horses, or interests in horses, registered with
13 and meeting the requirements of any of the Arabian Horse
14 Club Registry of America, Appaloosa Horse Club, American
15 Quarter Horse Association, United States Trotting
16 Association, or Jockey Club, as appropriate, used for
17 purposes of breeding or racing for prizes. This item (27)
18 is exempt from the provisions of Section 2-70, and the
19 exemption provided for under this item (27) applies for
20 all periods beginning May 30, 1995, but no claim for
21 credit or refund is allowed on or after January 1, 2008
22 (the effective date of Public Act 95-88) for such taxes
23 paid during the period beginning May 30, 2000 and ending
24 on January 1, 2008 (the effective date of Public Act
25 95-88).

26 (28) Computers and communications equipment utilized

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

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

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

25 (31) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on

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

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

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

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

10 (34) Beginning January 1, 2000, personal property,
11 including food, purchased through fundraising events for
12 the benefit of a public or private elementary or secondary
13 school, a group of those schools, or one or more school
14 districts if the events are sponsored by an entity
15 recognized by the school district that consists primarily
16 of volunteers and includes parents and teachers of the
17 school children. This paragraph does not apply to
18 fundraising events (i) for the benefit of private home
19 instruction or (ii) for which the fundraising entity
20 purchases the personal property sold at the events from
21 another individual or entity that sold the property for
22 the purpose of resale by the fundraising entity and that
23 profits from the sale to the fundraising entity. This
24 paragraph is exempt from the provisions of Section 2-70.

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

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

10 (35-5) Beginning August 23, 2001 and through June 30,
11 2016, food for human consumption that is to be consumed
12 off the premises where it is sold (other than alcoholic
13 beverages, soft drinks, and food that has been prepared
14 for immediate consumption) and prescription and
15 nonprescription medicines, drugs, medical appliances, and
16 insulin, urine testing materials, syringes, and needles
17 used by diabetics, for human use, when purchased for use
18 by a person receiving medical assistance under Article V
19 of the Illinois Public Aid Code who resides in a licensed
20 long-term care facility, as defined in the Nursing Home
21 Care Act, or a licensed facility as defined in the ID/DD
22 Community Care Act, the MC/DD Act, or the Specialized
23 Mental Health Rehabilitation Act of 2013.

24 (36) Beginning August 2, 2001, computers and
25 communications equipment utilized for any hospital purpose
26 and equipment used in the diagnosis, analysis, or

1 treatment of hospital patients sold to a lessor who leases
2 the equipment, under a lease of one year or longer
3 executed or in effect at the time of the purchase, to a
4 hospital that has been issued an active tax exemption
5 identification number by the Department under Section 1g
6 of this Act. This paragraph is exempt from the provisions
7 of Section 2-70.

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

15 (38) Beginning on January 1, 2002 and through June 30,
16 2016, tangible personal property purchased from an
17 Illinois retailer by a taxpayer engaged in centralized
18 purchasing activities in Illinois who will, upon receipt
19 of the property in Illinois, temporarily store the
20 property in Illinois (i) for the purpose of subsequently
21 transporting it outside this State for use or consumption
22 thereafter solely outside this State or (ii) for the
23 purpose of being processed, fabricated, or manufactured
24 into, attached to, or incorporated into other tangible
25 personal property to be transported outside this State and
26 thereafter used or consumed solely outside this State. The

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

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

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

1 in the modification, refurbishment, completion,
2 replacement, repair, and maintenance of aircraft. However,
3 until January 1, 2024, this exemption excludes any
4 materials, parts, equipment, components, and consumable
5 supplies used in the modification, replacement, repair,
6 and maintenance of aircraft engines or power plants,
7 whether such engines or power plants are installed or
8 uninstalled upon any such aircraft. "Consumable supplies"
9 include, but are not limited to, adhesive, tape,
10 sandpaper, general purpose lubricants, cleaning solution,
11 latex gloves, and protective films.

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

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

12 The changes made to this paragraph (40) by Public Act
13 98-534 are declarative of existing law. It is the intent
14 of the General Assembly that the exemption under this
15 paragraph (40) applies continuously from January 1, 2010
16 through December 31, 2024; however, no claim for credit or
17 refund is allowed for taxes paid as a result of the
18 disallowance of this exemption on or after January 1, 2015
19 and prior to February 5, 2020 (the effective date of
20 Public Act 101-629).

21 (41) Tangible personal property sold to a
22 public-facilities corporation, as described in Section
23 11-65-10 of the Illinois Municipal Code, for purposes of
24 constructing or furnishing a municipal convention hall,
25 but only if the legal title to the municipal convention
26 hall is transferred to the municipality without any

1 further consideration by or on behalf of the municipality
2 at the time of the completion of the municipal convention
3 hall or upon the retirement or redemption of any bonds or
4 other debt instruments issued by the public-facilities
5 corporation in connection with the development of the
6 municipal convention hall. This exemption includes
7 existing public-facilities corporations as provided in
8 Section 11-65-25 of the Illinois Municipal Code. This
9 paragraph is exempt from the provisions of Section 2-70.

10 (42) Beginning January 1, 2017 and through December
11 31, 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

15 For the purposes of this item (44):

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

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

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

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

24 (45) Beginning January 1, 2020 and through December
25 31, 2020, sales of tangible personal property made by a
26 marketplace seller over a marketplace for which tax is due

1 under this Act but for which use tax has been collected and
2 remitted to the Department by a marketplace facilitator
3 under Section 2d of the Use Tax Act are exempt from tax
4 under this Act. A marketplace seller claiming this
5 exemption shall maintain books and records demonstrating
6 that the use tax on such sales has been collected and
7 remitted by a marketplace facilitator. Marketplace sellers
8 that have properly remitted tax under this Act on such
9 sales may file a claim for credit as provided in Section 6
10 of this Act. No claim is allowed, however, for such taxes
11 for which a credit or refund has been issued to the
12 marketplace facilitator under the Use Tax Act, or for
13 which the marketplace facilitator has filed a claim for
14 credit or refund under the Use Tax Act.

15 (46) Beginning July 1, 2022, breast pumps, breast pump
16 collection and storage supplies, and breast pump kits.
17 This item (46) is exempt from the provisions of Section
18 2-70. As used in this item (46):

19 "Breast pump" means an electrically controlled or
20 manually controlled pump device designed or marketed to be
21 used to express milk from a human breast during lactation,
22 including the pump device and any battery, AC adapter, or
23 other power supply unit that is used to power the pump
24 device and is packaged and sold with the pump device at the
25 time of sale.

26 "Breast pump collection and storage supplies" means

1 items of tangible personal property designed or marketed
2 to be used in conjunction with a breast pump to collect
3 milk expressed from a human breast and to store collected
4 milk until it is ready for consumption.

5 "Breast pump collection and storage supplies"
6 includes, but is not limited to: breast shields and breast
7 shield connectors; breast pump tubes and tubing adapters;
8 breast pump valves and membranes; backflow protectors and
9 backflow protector adaptors; bottles and bottle caps
10 specific to the operation of the breast pump; and breast
11 milk storage bags.

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

24 "Breast pump kit" means a kit that: (1) contains no
25 more than a breast pump, breast pump collection and
26 storage supplies, a rechargeable battery for operating the

1 breast pump, a breastmilk cooler, bottle stands, ice
2 packs, and a breast pump carrying case; and (2) is
3 pre-packaged as a breast pump kit by the breast pump
4 manufacturer or distributor.

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

9 (48) Beginning on January 1, 2024, tangible personal
10 property purchased by an active duty member of the armed
11 forces of the United States who presents valid military
12 identification and purchases the property using a form of
13 payment where the federal government is the payor. The
14 member of the armed forces must complete, at the point of
15 sale, a form prescribed by the Department of Revenue
16 documenting that the transaction is eligible for the
17 exemption under this paragraph. Retailers must keep the
18 form as documentation of the exemption in their records
19 for a period of not less than 6 years. "Armed forces of the
20 United States" means the United States Army, Navy, Air
21 Force, Space Force, Marine Corps, or Coast Guard. This
22 paragraph is exempt from the provisions of Section 2-70.

23 (49) Beginning July 1, 2024, home-delivered meals
24 provided to Medicare or Medicaid recipients when payment
25 is made by an intermediary, such as a Medicare
26 Administrative Contractor, a Managed Care Organization, or

1 a Medicare Advantage Organization, pursuant to a
2 government contract. This paragraph (49) is exempt from
3 the provisions of Section 2-70.

4 (50) ~~(49)~~ Beginning on January 1, 2026, as further
5 defined in Section 2-10, food for human consumption that
6 is to be consumed off the premises where it is sold (other
7 than alcoholic beverages, food consisting of or infused
8 with adult use cannabis, soft drinks, candy, and food that
9 has been prepared for immediate consumption). This item
10 (50) ~~(49)~~ is exempt from the provisions of Section 2-70.

11 (51) ~~(49)~~ Gross receipts from the lease of the
12 following tangible personal property:

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

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

17 (i) an electronic agreement in which the
18 customer accepts the license by means of an
19 electronic signature that is verifiable and
20 can be authenticated and is attached to or
21 made part of the license will comply with this
22 requirement;

23 (ii) a license agreement in which the
24 customer electronically accepts the terms by
25 clicking "I agree" does not comply with this
26 requirement;

1 (B) it restricts the customer's duplication
2 and use of the software;

3 (C) it prohibits the customer from licensing,
4 sublicensing, or transferring the software to a
5 third party (except to a related party) without
6 the permission and continued control of the
7 licensor;

8 (D) the licensor has a policy of providing
9 another copy at minimal or no charge if the
10 customer loses or damages the software, or of
11 permitting the licensee to make and keep an
12 archival copy, and such policy is either stated in
13 the license agreement, supported by the licensor's
14 books and records, or supported by a notarized
15 statement made under penalties of perjury by the
16 licensor; and

17 (E) the customer must destroy or return all
18 copies of the software to the licensor at the end
19 of the license period; this provision is deemed to
20 be met, in the case of a perpetual license,
21 without being set forth in the license agreement;
22 and

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

1 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
2 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
3 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
4 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
5 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
6 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592,
7 eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24;
8 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff.
9 8-9-24; revised 11-26-24.)

10 (35 ILCS 120/2-51)

11 Sec. 2-51. Motor vehicles; trailers; use as rolling stock
12 definition.

13 (a) (Blank).

14 (b) (Blank).

15 (c) This subsection (c) applies to motor vehicles, other
16 than limousines, purchased through June 30, 2017. For motor
17 vehicles, other than limousines, purchased on or after July 1,
18 2017, subsection (d-5) applies. This subsection (c) applies to
19 limousines purchased before, on, or after July 1, 2017. "Use
20 as rolling stock moving in interstate commerce" in paragraph
21 (13) of Section 2-5 occurs for motor vehicles, as defined in
22 Section 1-146 of the Illinois Vehicle Code, when during a
23 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

1 its total miles for that period. The person claiming the
2 exemption shall make an election at the time of purchase to use
3 either the trips or mileage method. Persons who purchased
4 motor vehicles prior to July 1, 2004 shall make an election to
5 use either the trips or mileage method and document that
6 election in their books and records. If no election is made
7 under this subsection to use the trips or mileage method, the
8 person shall be deemed to have chosen the mileage method.

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

1 being attached to limousines as a part thereof. For property
2 that is purchased on or after July 1, 2025 for the purpose of
3 being attached to a limousine as a part thereof, this
4 definition applies only if the limousine is not used to
5 provide transportation network company services, as defined in
6 the Transportation Network Providers Act.

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

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

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

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

26 (3) If one or more trailers, semitrailers, or pole

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

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

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

22 (2) for purposes of the exemption under paragraph (13)
23 of Section 2-5, the purchaser who is an owner, lessor, or
24 shipper claiming the exemption certifies that the motor
25 vehicle or trailer will be utilized, from the time of
26 purchase and continuing through the statute of limitations

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

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

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

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

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

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

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

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

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

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

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

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

24 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

1 Sec. 3-1001. A tax is hereby imposed on the privilege of
2 using, in this State, any motor vehicle as defined in Section
3 1-146 of this Code acquired by gift, transfer, or purchase,
4 and having a year model designation preceding the year of
5 application for title by 5 or fewer years prior to October 1,
6 1985 and 10 or fewer years on and after October 1, 1985 and
7 prior to January 1, 1988. On and after January 1, 1988, the tax
8 shall apply to all motor vehicles without regard to model
9 year. Except that the tax shall not apply:

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

12 (ii) if the motor vehicle is bought and used by a
13 governmental agency or a society, association, foundation
14 or institution organized and operated exclusively for
15 charitable, religious or educational purposes;

16 (iii) if the use of the motor vehicle is not subject to
17 the Use Tax Act by reason of subsection (a), (b), (c), (d),
18 (e) or (f) of Section 3-55 of that Act dealing with the
19 prevention of actual or likely multistate taxation;

20 (iv) to implements of husbandry;

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

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

25 (vii) when the transfer is a gift to a beneficiary in
26 the administration of an estate and the beneficiary is a

1 surviving spouse;~~i-~~

2 (viii) if the motor vehicle is purchased for the
 3 purpose of resale by a retailer registered under Section
 4 2a of the Retailers' Occupation Tax Act.

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

11	Number of Years Transpired After	Applicable Tax
12	Model Year of Motor Vehicle	
13	1 or less	\$390
14	2	290
15	3	215
16	4	165
17	5	115
18	6	90
19	7	80
20	8	65
21	9	50
22	10	40
23	over 10	25

24 Except as hereinafter provided, beginning January 1, 1988 and
 25 until January 1, 2022, the rate of tax shall be as follows for
 26 transactions in which the selling price of the motor vehicle

1 is \$15,000 or more:

2	Selling Price	Applicable Tax
3	\$15,000 - \$19,999	\$ 750
4	\$20,000 - \$24,999	\$1,000
5	\$25,000 - \$29,999	\$1,250
6	\$30,000 and over	\$1,500

7 Except as hereinafter provided, beginning on January 1,
8 2022, the rate of tax shall be as follows for transactions in
9 which the selling price of the motor vehicle is less than
10 \$15,000:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (3) if the selling price is \$25,000 or more, but less
17 than \$30,000, then the applicable tax shall be \$1,350;

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

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

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

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

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

3 (i) when the transferee or purchaser is the spouse,
4 mother, father, brother, sister or child of the
5 transferor;

6 (ii) when the transfer is a gift to a beneficiary in
7 the administration of an estate, including, but not
8 limited to, the administration of an inter vivos trust
9 that became irrevocable upon the death of a grantor, and
10 the beneficiary is not a surviving spouse;

11 (iii) when a motor vehicle which has once been
12 subjected to the Illinois retailers' occupation tax or use
13 tax is transferred in connection with the organization,
14 reorganization, dissolution or partial liquidation of an
15 incorporated or unincorporated business wherein the
16 beneficial ownership is not changed.

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

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

22 On and after October 1, 1985 and until January 1, 2022,
23 1/12 of \$5,000,000 of the moneys received by the Department of
24 Revenue pursuant to this Section shall be paid each month into
25 the Build Illinois Fund; on and after January 1, 2022, 1/12 of
26 \$40,000,000 of the moneys received by the Department of

1 Revenue pursuant to this Section shall be paid each month into
2 the Build Illinois Fund; and the remainder shall be paid into
3 the General Revenue Fund.

4 The tax imposed by this Section shall be abated and no
5 longer imposed when the amount deposited to secure the bonds
6 issued pursuant to the Build Illinois Bond Act is sufficient
7 to provide for the payment of the principal of, and interest
8 and premium, if any, on the bonds, as certified to the State
9 Comptroller and the Director of Revenue by the Director of the
10 Governor's Office of Management and Budget.

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

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."