

HB4440



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4440

Introduced 2/3/2020, by Rep. Jonathan Carroll

SYNOPSIS AS INTRODUCED:

35 ILCS 120/2-5

Amends the Retailers' Occupation Tax Act. Provides that a teacher who is employed by an educational institution that is exempt from the tax under the Act is presumed to be making an exempt purchase if he or she (i) purchases materials and supplies, (ii) possesses a copy of the educational institution's exemption number, and (iii) presents identification at the time of the sale.

LRB101 18757 HLH 68212 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

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

6 (35 ILCS 120/2-5)

7 Sec. 2-5. Exemptions. Gross receipts from proceeds from the
8 sale 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 in
18 Section 1-130 of the Illinois Vehicle Code, farm machinery
19 and agricultural chemical and fertilizer spreaders, and
20 nurse wagons required to be registered under Section 3-809
21 of the Illinois Vehicle Code, but excluding other motor
22 vehicles required to be registered under the Illinois
23 Vehicle Code. Horticultural polyhouses or hoop houses used

1 for propagating, growing, or overwintering plants shall be
2 considered farm machinery and equipment under this item
3 (2). Agricultural chemical tender tanks and dry boxes shall
4 include units sold separately from a motor vehicle required
5 to be licensed and units sold mounted on a motor vehicle
6 required to be licensed, if the selling price of the tender
7 is separately 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. This item (2) is exempt
23 from the provisions of Section 2-70.

24 (3) Until July 1, 2003, distillation machinery and
25 equipment, sold as a unit or kit, assembled or installed by
26 the retailer, certified by the user to be used only for the

1 production of ethyl alcohol that will be used for
2 consumption as motor fuel or as a component of motor fuel
3 for the personal use of the user, and not subject to sale
4 or resale.

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

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

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

25 (7) Until July 1, 2003, proceeds of that portion of the
26 selling price of a passenger car the sale of which is

1 subject to the Replacement Vehicle Tax.

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

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

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

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

16 A teacher who is employed by an educational institution
17 that is exempt from the tax under this Act is presumed to
18 be making an exempt purchase if he or she (i) purchases
19 materials and supplies, (ii) possesses a copy of the
20 educational institution's exemption number, and (iii)
21 presents identification at the time of the sale. As used in
22 this paragraph (11), "materials and supplies" means
23 amounts paid for instructional materials or supplies that
24 are designated for classroom use in any public or
25 non-public school in the State.

26 (12) (Blank).

1 (12-5) On and after July 1, 2003 and through June 30,
2 2004, motor vehicles of the second division with a gross
3 vehicle weight in excess of 8,000 pounds that are subject
4 to the commercial distribution fee imposed under Section
5 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
6 2004 and through June 30, 2005, the use in this State of
7 motor vehicles of the second division: (i) with a gross
8 vehicle weight rating in excess of 8,000 pounds; (ii) that
9 are subject to the commercial distribution fee imposed
10 under Section 3-815.1 of the Illinois Vehicle Code; and
11 (iii) that are primarily used for commercial purposes.
12 Through June 30, 2005, this exemption applies to repair and
13 replacement parts added after the initial purchase of such
14 a motor vehicle if that motor vehicle is used in a manner
15 that would qualify for the rolling stock exemption
16 otherwise provided for in this Act. For purposes of this
17 paragraph, "used for commercial purposes" means the
18 transportation of persons or property in furtherance of any
19 commercial or industrial enterprise whether for-hire or
20 not.

21 (13) Proceeds from sales to owners, lessors, or
22 shippers of tangible personal property that is utilized by
23 interstate carriers for hire for use as rolling stock
24 moving in interstate commerce and equipment operated by a
25 telecommunications provider, licensed as a common carrier
26 by the Federal Communications Commission, which is

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

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

1 defined in paragraph (4) of this Section.

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

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

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

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

26 (19) Until July 1, 2003, oil field exploration,

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

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

16 (21) Until July 1, 2023, coal and aggregate
17 exploration, mining, off-highway hauling, processing,
18 maintenance, and reclamation equipment, including
19 replacement parts and equipment, and including equipment
20 purchased for lease, but excluding motor vehicles required
21 to be registered under the Illinois Vehicle Code. The
22 changes made to this Section by Public Act 97-767 apply on
23 and after July 1, 2003, but no claim for credit or refund
24 is allowed on or after August 16, 2013 (the effective date
25 of Public Act 98-456) for such taxes paid during the period
26 beginning July 1, 2003 and ending on August 16, 2013 (the

1 effective date of Public Act 98-456).

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

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

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

23 (24) Fuel consumed or used in the operation of ships,
24 barges, or vessels that are used primarily in or for the
25 transportation of property or the conveyance of persons for
26 hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

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

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

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

19 (25-7) Beginning on July 1, 2007, no tax is imposed
20 under this Act on the sale of an aircraft, as defined in
21 Section 3 of the Illinois Aeronautics Act, if all of the
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days
24 after the later of either the issuance of the final
25 billing for the sale of the aircraft, or the authorized
26 approval for return to service, completion of the

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

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

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

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

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

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

1 this State.

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

4 (26) Semen used for artificial insemination of
5 livestock for direct agricultural production.

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

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

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

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

18 (31) Beginning with taxable years ending on or after
19 December 31, 1995 and ending with taxable years ending on
20 or before December 31, 2004, personal property that is used
21 in the performance of infrastructure repairs in this State,
22 including but not limited to municipal roads and streets,
23 access roads, bridges, sidewalks, waste disposal systems,
24 water and sewer line extensions, water distribution and
25 purification facilities, storm water drainage and
26 retention facilities, and sewage treatment facilities,

1 resulting from a State or federally declared disaster in
2 Illinois or bordering Illinois when such repairs are
3 initiated on facilities located in the declared disaster
4 area within 6 months after the disaster.

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

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

1 mechanical, industrial, business, or commercial
2 occupation.

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

18 (35) Beginning January 1, 2000 and through December 31,
19 2001, new or used automatic vending machines that prepare
20 and serve hot food and beverages, including coffee, soup,
21 and other items, and replacement parts for these machines.
22 Beginning January 1, 2002 and through June 30, 2003,
23 machines and parts for machines used in commercial,
24 coin-operated amusement and vending business if a use or
25 occupation tax is paid on the gross receipts derived from
26 the use of the commercial, coin-operated amusement and

1 vending machines. This paragraph is exempt from the
2 provisions of Section 2-70.

3 (35-5) Beginning August 23, 2001 and through June 30,
4 2016, food for human consumption that is to be consumed off
5 the premises where it is sold (other than alcoholic
6 beverages, soft drinks, and food that has been prepared for
7 immediate consumption) and prescription and
8 nonprescription medicines, drugs, medical appliances, and
9 insulin, urine testing materials, syringes, and needles
10 used by diabetics, for human use, when purchased for use by
11 a person receiving medical assistance under Article V of
12 the Illinois Public Aid Code who resides in a licensed
13 long-term care facility, as defined in the Nursing Home
14 Care Act, or a licensed facility as defined in the ID/DD
15 Community Care Act, the MC/DD Act, or the Specialized
16 Mental Health Rehabilitation Act of 2013.

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

26 (37) Beginning August 2, 2001, personal property sold

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

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

1 this Act. Taxpayers shall maintain all necessary books and
2 records to substantiate the use and consumption of all such
3 tangible personal property outside of the State of
4 Illinois.

5 (39) Beginning January 1, 2008, tangible personal
6 property used in the construction or maintenance of a
7 community water supply, as defined under Section 3.145 of
8 the Environmental Protection Act, that is operated by a
9 not-for-profit corporation that holds a valid water supply
10 permit issued under Title IV of the Environmental
11 Protection Act. This paragraph is exempt from the
12 provisions of Section 2-70.

13 (40) Beginning January 1, 2010, materials, parts,
14 equipment, components, and furnishings incorporated into
15 or upon an aircraft as part of the modification,
16 refurbishment, completion, replacement, repair, or
17 maintenance of the aircraft. This exemption includes
18 consumable supplies used in the modification,
19 refurbishment, completion, replacement, repair, and
20 maintenance of aircraft, but excludes any materials,
21 parts, equipment, components, and consumable supplies used
22 in the modification, replacement, repair, and maintenance
23 of aircraft engines or power plants, whether such engines
24 or power plants are installed or uninstalled upon any such
25 aircraft. "Consumable supplies" include, but are not
26 limited to, adhesive, tape, sandpaper, general purpose

1 lubricants, cleaning solution, latex gloves, and
2 protective films. This exemption applies only to the sale
3 of qualifying tangible personal property to persons who
4 modify, refurbish, complete, replace, or maintain an
5 aircraft and who (i) hold an Air Agency Certificate and are
6 empowered to operate an approved repair station by the
7 Federal Aviation Administration, (ii) have a Class IV
8 Rating, and (iii) conduct operations in accordance with
9 Part 145 of the Federal Aviation Regulations. The exemption
10 does not include aircraft operated by a commercial air
11 carrier providing scheduled passenger air service pursuant
12 to authority issued under Part 121 or Part 129 of the
13 Federal Aviation Regulations. The changes made to this
14 paragraph (40) by Public Act 98-534 are declarative of
15 existing law.

16 (41) Tangible personal property sold to a
17 public-facilities corporation, as described in Section
18 11-65-10 of the Illinois Municipal Code, for purposes of
19 constructing or furnishing a municipal convention hall,
20 but only if the legal title to the municipal convention
21 hall is transferred to the municipality without any further
22 consideration by or on behalf of the municipality at the
23 time of the completion of the municipal convention hall or
24 upon the retirement or redemption of any bonds or other
25 debt instruments issued by the public-facilities
26 corporation in connection with the development of the

1 municipal convention hall. This exemption includes
2 existing public-facilities corporations as provided in
3 Section 11-65-25 of the Illinois Municipal Code. This
4 paragraph is exempt from the provisions of Section 2-70.

5 (42) Beginning January 1, 2017, menstrual pads,
6 tampons, and menstrual cups.

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

15 (44) Qualified tangible personal property used in the
16 construction or operation of a data center that has been
17 granted a certificate of exemption by the Department of
18 Commerce and Economic Opportunity, whether that tangible
19 personal property is purchased by the owner, operator, or
20 tenant of the data center or by a contractor or
21 subcontractor of the owner, operator, or tenant. Data
22 centers that would have qualified for a certificate of
23 exemption prior to January 1, 2020 had this amendatory Act
24 of the 101st General Assembly been in effect, may apply for
25 and obtain an exemption for subsequent purchases of
26 computer equipment or enabling software purchased or

1 leased to upgrade, supplement, or replace computer
2 equipment or enabling software purchased or leased in the
3 original investment that would have qualified.

4 The Department of Commerce and Economic Opportunity
5 shall grant a certificate of exemption under this item (44)
6 to qualified data centers as defined by Section 605-1025 of
7 the Department of Commerce and Economic Opportunity Law of
8 the Civil Administrative Code of Illinois.

9 For the purposes of this item (44):

10 "Data center" means a building or a series of
11 buildings rehabilitated or constructed to house
12 working servers in one physical location or multiple
13 sites within the State of Illinois.

14 "Qualified tangible personal property" means:
15 electrical systems and equipment; climate control and
16 chilling equipment and systems; mechanical systems and
17 equipment; monitoring and secure systems; emergency
18 generators; hardware; computers; servers; data storage
19 devices; network connectivity equipment; racks;
20 cabinets; telecommunications cabling infrastructure;
21 raised floor systems; peripheral components or
22 systems; software; mechanical, electrical, or plumbing
23 systems; battery systems; cooling systems and towers;
24 temperature control systems; other cabling; and other
25 data center infrastructure equipment and systems
26 necessary to operate qualified tangible personal

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

16 This item (44) is exempt from the provisions of Section
17 2-70.

18 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
19 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.
20 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
21 eff. 7-12-19.)