

**SB1678**



**101ST GENERAL ASSEMBLY**

**State of Illinois**

**2019 and 2020**

**SB1678**

Introduced 2/15/2019, by Sen. Jil Tracy

**SYNOPSIS AS INTRODUCED:**

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that products purchased by an eligible apiarist for use in producing honey bee products for sale or for providing bee pollination services are exempt from the tax imposed under the Act.

LRB101 09656 HLH 54755 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 Use Tax Act is amended by changing Section  
5 3-5 as follows:

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004 through August 30, 2014, graphic arts machinery and  
4 equipment, including repair and replacement parts, both new and  
5 used, and including that manufactured on special order,  
6 certified by the purchaser to be used primarily for graphic  
7 arts production, and including machinery and equipment  
8 purchased for lease. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change upon a  
11 graphic arts product. Beginning on July 1, 2017, graphic arts  
12 machinery and equipment is included in the manufacturing and  
13 assembling machinery and equipment exemption under paragraph  
14 (18).

15 (7) Farm chemicals.

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

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

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

26 (11) Farm machinery and equipment, both new and used,

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

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

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals. This item (11) is exempt from the  
8 provisions of Section 3-90.

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

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

26 (13) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of  
2 food and beverages purchased at retail from a retailer, to the  
3 extent that the proceeds of the service charge are in fact  
4 turned over as tips or as a substitute for tips to the  
5 employees who participate directly in preparing, serving,  
6 hosting or cleaning up the food or beverage function with  
7 respect to which the service charge is imposed.

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

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

22 (16) Until July 1, 2023, coal and aggregate exploration,  
23 mining, off-highway hauling, processing, maintenance, and  
24 reclamation equipment, including replacement parts and  
25 equipment, and including equipment purchased for lease, but  
26 excluding motor vehicles required to be registered under the

1 Illinois Vehicle Code. The changes made to this Section by  
2 Public Act 97-767 apply on and after July 1, 2003, but no claim  
3 for credit or refund is allowed on or after August 16, 2013  
4 (the effective date of Public Act 98-456) for such taxes paid  
5 during the period beginning July 1, 2003 and ending on August  
6 16, 2013 (the effective date of Public Act 98-456).

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

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



1 for wholesale or retail sale that is delivered to customers  
2 through pipes, pipelines, or mains; or (iii) the treatment of  
3 water for wholesale or retail sale that is delivered to  
4 customers through pipes, pipelines, or mains. The provisions of  
5 Public Act 98-583 are declaratory of existing law as to the  
6 meaning and scope of this exemption. Beginning on July 1, 2017,  
7 the exemption provided by this paragraph (18) includes, but is  
8 not limited to, graphic arts machinery and equipment, as  
9 defined in paragraph (6) of this Section.

10 (19) Personal property delivered to a purchaser or  
11 purchaser's donee inside Illinois when the purchase order for  
12 that personal property was received by a florist located  
13 outside Illinois who has a florist located inside Illinois  
14 deliver the personal property.

15 (20) Semen used for artificial insemination of livestock  
16 for direct agricultural production.

17 (21) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (21) is exempt from the provisions  
23 of Section 3-90, and the exemption provided for under this item  
24 (21) applies for all periods beginning May 30, 1995, but no  
25 claim for credit or refund is allowed on or after January 1,  
26 2008 for such taxes paid during the period beginning May 30,

1 2000 and ending on January 1, 2008.

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

25 (23) Personal property purchased by a lessor who leases the  
26 property, under a lease of one year or longer executed or in

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

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

1 number by the Department that assists victims of the disaster  
2 who reside within the declared disaster area.

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

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

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

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

11 (28) Beginning January 1, 2000, personal property,  
12 including food, purchased through fundraising events for the  
13 benefit of a public or private elementary or secondary school,  
14 a group of those schools, or one or more school districts if  
15 the events are sponsored by an entity recognized by the school  
16 district that consists primarily of volunteers and includes  
17 parents and teachers of the school children. This paragraph  
18 does not apply to fundraising events (i) for the benefit of  
19 private home instruction or (ii) for which the fundraising  
20 entity purchases the personal property sold at the events from  
21 another individual or entity that sold the property for the  
22 purpose of resale by the fundraising entity and that profits  
23 from the sale to the fundraising entity. This paragraph is  
24 exempt from the provisions of Section 3-90.

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

1 serve hot food and beverages, including coffee, soup, and other  
2 items, and replacement parts for these machines. Beginning  
3 January 1, 2002 and through June 30, 2003, machines and parts  
4 for machines used in commercial, coin-operated amusement and  
5 vending business if a use or occupation tax is paid on the  
6 gross receipts derived from the use of the commercial,  
7 coin-operated amusement and vending machines. This paragraph  
8 is exempt from the provisions of Section 3-90.

9 (30) Beginning January 1, 2001 and through June 30, 2016,  
10 food for human consumption that is to be consumed off the  
11 premises where it is sold (other than alcoholic beverages, soft  
12 drinks, and food that has been prepared for immediate  
13 consumption) and prescription and nonprescription medicines,  
14 drugs, medical appliances, and insulin, urine testing  
15 materials, syringes, and needles used by diabetics, for human  
16 use, when purchased for use by a person receiving medical  
17 assistance under Article V of the Illinois Public Aid Code who  
18 resides in a licensed long-term care facility, as defined in  
19 the Nursing Home Care Act, or in a licensed facility as defined  
20 in the ID/DD Community Care Act, the MC/DD Act, or the  
21 Specialized Mental Health Rehabilitation Act of 2013.

22 (31) Beginning on August 2, 2001 (the effective date of  
23 Public Act 92-227), computers and communications equipment  
24 utilized for any hospital purpose and equipment used in the  
25 diagnosis, analysis, or treatment of hospital patients  
26 purchased by a lessor who leases the equipment, under a lease

1 of one year or longer executed or in effect at the time the  
2 lessor would otherwise be subject to the tax imposed by this  
3 Act, to a hospital that has been issued an active tax exemption  
4 identification number by the Department under Section 1g of the  
5 Retailers' Occupation Tax Act. If the equipment is leased in a  
6 manner that does not qualify for this exemption or is used in  
7 any other nonexempt manner, the lessor shall be liable for the  
8 tax imposed under this Act or the Service Use Tax Act, as the  
9 case may be, based on the fair market value of the property at  
10 the time the nonqualifying use occurs. No lessor shall collect  
11 or attempt to collect an amount (however designated) that  
12 purports to reimburse that lessor for the tax imposed by this  
13 Act or the Service Use Tax Act, as the case may be, if the tax  
14 has not been paid by the lessor. If a lessor improperly  
15 collects any such amount from the lessee, the lessee shall have  
16 a legal right to claim a refund of that amount from the lessor.  
17 If, however, that amount is not refunded to the lessee for any  
18 reason, the lessor is liable to pay that amount to the  
19 Department. This paragraph is exempt from the provisions of  
20 Section 3-90.

21 (32) Beginning on August 2, 2001 (the effective date of  
22 Public Act 92-227), personal property purchased by a lessor who  
23 leases the property, under a lease of one year or longer  
24 executed or in effect at the time the lessor would otherwise be  
25 subject to the tax imposed by this Act, to a governmental body  
26 that has been issued an active sales tax exemption

1 identification number by the Department under Section 1g of the  
2 Retailers' Occupation Tax Act. If the property is leased in a  
3 manner that does not qualify for this exemption or used in any  
4 other nonexempt manner, the lessor shall be liable for the tax  
5 imposed under this Act or the Service Use Tax Act, as the case  
6 may be, based on the fair market value of the property at the  
7 time the nonqualifying use occurs. No lessor shall collect or  
8 attempt to collect an amount (however designated) that purports  
9 to reimburse that lessor for the tax imposed by this Act or the  
10 Service Use Tax Act, as the case may be, if the tax has not been  
11 paid by the lessor. If a lessor improperly collects any such  
12 amount from the lessee, the lessee shall have a legal right to  
13 claim a refund of that amount from the lessor. If, however,  
14 that amount is not refunded to the lessee for any reason, the  
15 lessor is liable to pay that amount to the Department. This  
16 paragraph is exempt from the provisions of Section 3-90.

17 (33) On and after July 1, 2003 and through June 30, 2004,  
18 the use in this State of motor vehicles of the second division  
19 with a gross vehicle weight in excess of 8,000 pounds and that  
20 are subject to the commercial distribution fee imposed under  
21 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
22 1, 2004 and through June 30, 2005, the use in this State of  
23 motor vehicles of the second division: (i) with a gross vehicle  
24 weight rating in excess of 8,000 pounds; (ii) that are subject  
25 to the commercial distribution fee imposed under Section  
26 3-815.1 of the Illinois Vehicle Code; and (iii) that are



1 primarily used for commercial purposes. Through June 30, 2005,  
2 this exemption applies to repair and replacement parts added  
3 after the initial purchase of such a motor vehicle if that  
4 motor vehicle is used in a manner that would qualify for the  
5 rolling stock exemption otherwise provided for in this Act. For  
6 purposes of this paragraph, the term "used for commercial  
7 purposes" means the transportation of persons or property in  
8 furtherance of any commercial or industrial enterprise,  
9 whether for-hire or not.

10 (34) Beginning January 1, 2008, tangible personal property  
11 used in the construction or maintenance of a community water  
12 supply, as defined under Section 3.145 of the Environmental  
13 Protection Act, that is operated by a not-for-profit  
14 corporation that holds a valid water supply permit issued under  
15 Title IV of the Environmental Protection Act. This paragraph is  
16 exempt from the provisions of Section 3-90.

17 (35) Beginning January 1, 2010, materials, parts,  
18 equipment, components, and furnishings incorporated into or  
19 upon an aircraft as part of the modification, refurbishment,  
20 completion, replacement, repair, or maintenance of the  
21 aircraft. This exemption includes consumable supplies used in  
22 the modification, refurbishment, completion, replacement,  
23 repair, and maintenance of aircraft, but excludes any  
24 materials, parts, equipment, components, and consumable  
25 supplies used in the modification, replacement, repair, and  
26 maintenance of aircraft engines or power plants, whether such

1 engines or power plants are installed or uninstalled upon any  
2 such aircraft. "Consumable supplies" include, but are not  
3 limited to, adhesive, tape, sandpaper, general purpose  
4 lubricants, cleaning solution, latex gloves, and protective  
5 films. This exemption applies only to the use of qualifying  
6 tangible personal property by persons who modify, refurbish,  
7 complete, repair, replace, or maintain aircraft and who (i)  
8 hold an Air Agency Certificate and are empowered to operate an  
9 approved repair station by the Federal Aviation  
10 Administration, (ii) have a Class IV Rating, and (iii) conduct  
11 operations in accordance with Part 145 of the Federal Aviation  
12 Regulations. The exemption does not include aircraft operated  
13 by a commercial air carrier providing scheduled passenger air  
14 service pursuant to authority issued under Part 121 or Part 129  
15 of the Federal Aviation Regulations. The changes made to this  
16 paragraph (35) by Public Act 98-534 are declarative of existing  
17 law.

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

1 issued by the public-facilities corporation in connection with  
2 the development of the municipal convention hall. This  
3 exemption includes existing public-facilities corporations as  
4 provided in Section 11-65-25 of the Illinois Municipal Code.  
5 This paragraph is exempt from the provisions of Section 3-90.

6 (37) Beginning January 1, 2017, menstrual pads, tampons,  
7 and menstrual cups.

8 (38) Merchandise that is subject to the Rental Purchase  
9 Agreement Occupation and Use Tax. The purchaser must certify  
10 that the item is purchased to be rented subject to a rental  
11 purchase agreement, as defined in the Rental Purchase Agreement  
12 Act, and provide proof of registration under the Rental  
13 Purchase Agreement Occupation and Use Tax Act. This paragraph  
14 is exempt from the provisions of Section 3-90.

15 (39) Tangible personal property purchased by a purchaser  
16 who is exempt from the tax imposed by this Act by operation of  
17 federal law. This paragraph is exempt from the provisions of  
18 Section 3-90.

19 (40) Products purchased by an eligible apiarist for use in  
20 producing honey bee products for sale or for providing bee  
21 pollination services. As used in this paragraph, "eligible  
22 apiarist" means a person who owns or keeps one or more bee  
23 colonies and who grows, raises, or produces honey bee products  
24 for sale at wholesale. As used in this paragraph, "honey bee  
25 products" means queen honey bees, packaged honey bees, honey,  
26 pollen, bees wax, propolis, or other substances obtained from

1 honey bees, but does not include manufactured substances or  
2 articles. This paragraph is exempt from the provisions of  
3 Section 3-90.

4 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
5 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.  
6 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised  
7 1-8-19.)

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

10 (35 ILCS 110/3-5)

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

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

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

23 (3) Personal property purchased by a not-for-profit arts or  
24 cultural organization that establishes, by proof required by

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

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

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

1 1, 2017, graphic arts machinery and equipment is included in  
2 the manufacturing and assembling machinery and equipment  
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision

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

8 Farm machinery and equipment also includes computers,  
9 sensors, software, and related equipment used primarily in the  
10 computer-assisted operation of production agriculture  
11 facilities, equipment, and activities such as, but not limited  
12 to, the collection, monitoring, and correlation of animal and  
13 crop data for the purpose of formulating animal diets and  
14 agricultural chemicals. This item (7) is exempt from the  
15 provisions of Section 3-75.

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

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

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

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

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

25 (11) Proceeds from the sale of photoprocessing machinery  
26 and equipment, including repair and replacement parts, both new



1 and used, including that manufactured on special order,  
2 certified by the purchaser to be used primarily for  
3 photoprocessing, and including photoprocessing machinery and  
4 equipment purchased for lease.

5 (12) Until July 1, 2023, coal and aggregate exploration,  
6 mining, off-highway hauling, processing, maintenance, and  
7 reclamation equipment, including replacement parts and  
8 equipment, and including equipment purchased for lease, but  
9 excluding motor vehicles required to be registered under the  
10 Illinois Vehicle Code. The changes made to this Section by  
11 Public Act 97-767 apply on and after July 1, 2003, but no claim  
12 for credit or refund is allowed on or after August 16, 2013  
13 (the effective date of Public Act 98-456) for such taxes paid  
14 during the period beginning July 1, 2003 and ending on August  
15 16, 2013 (the effective date of Public Act 98-456).

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

18 (14) Horses, or interests in horses, registered with and  
19 meeting the requirements of any of the Arabian Horse Club  
20 Registry of America, Appaloosa Horse Club, American Quarter  
21 Horse Association, United States Trotting Association, or  
22 Jockey Club, as appropriate, used for purposes of breeding or  
23 racing for prizes. This item (14) is exempt from the provisions  
24 of Section 3-75, and the exemption provided for under this item  
25 (14) applies for all periods beginning May 30, 1995, but no  
26 claim for credit or refund is allowed on or after January 1,

1 2008 (the effective date of Public Act 95-88) ~~this amendatory~~  
2 ~~Act of the 95th General Assembly~~ for such taxes paid during the  
3 period beginning May 30, 2000 and ending on January 1, 2008  
4 (the effective date of Public Act 95-88) ~~this amendatory Act of~~  
5 ~~the 95th General Assembly.~~

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

1 liable to pay that amount to the Department.

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

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

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

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

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

22 (20) A motor vehicle, as that term is defined in Section  
23 1-146 of the Illinois Vehicle Code, that is donated to a  
24 corporation, limited liability company, society, association,  
25 foundation, or institution that is determined by the Department  
26 to be organized and operated exclusively for educational

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

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

1 exempt from the provisions of Section 3-75.

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

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

25 (24) Beginning on August 2, 2001 (the effective date of  
26 Public Act 92-227) ~~this amendatory Act of the 92nd General~~

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

24 (25) Beginning on August 2, 2001 (the effective date of  
25 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
26 ~~Assembly~~, personal property purchased by a lessor who leases

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

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



1 exempt from the provisions of Section 3-75.

2 (27) Beginning January 1, 2010, materials, parts,  
3 equipment, components, and furnishings incorporated into or  
4 upon an aircraft as part of the modification, refurbishment,  
5 completion, replacement, repair, or maintenance of the  
6 aircraft. This exemption includes consumable supplies used in  
7 the modification, refurbishment, completion, replacement,  
8 repair, and maintenance of aircraft, but excludes any  
9 materials, parts, equipment, components, and consumable  
10 supplies used in the modification, replacement, repair, and  
11 maintenance of aircraft engines or power plants, whether such  
12 engines or power plants are installed or uninstalled upon any  
13 such aircraft. "Consumable supplies" include, but are not  
14 limited to, adhesive, tape, sandpaper, general purpose  
15 lubricants, cleaning solution, latex gloves, and protective  
16 films. This exemption applies only to the use of qualifying  
17 tangible personal property transferred incident to the  
18 modification, refurbishment, completion, replacement, repair,  
19 or maintenance of aircraft by persons who (i) hold an Air  
20 Agency Certificate and are empowered to operate an approved  
21 repair station by the Federal Aviation Administration, (ii)  
22 have a Class IV Rating, and (iii) conduct operations in  
23 accordance with Part 145 of the Federal Aviation Regulations.  
24 The exemption does not include aircraft operated by a  
25 commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or Part 129

1 of the Federal Aviation Regulations. The changes made to this  
2 paragraph (27) by Public Act 98-534 are declarative of existing  
3 law.

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

18 (29) Beginning January 1, 2017, menstrual pads, tampons,  
19 and menstrual cups.

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

24 (31) Products purchased by an eligible apiarist for use in  
25 producing honey bee products for sale or for providing bee  
26 pollination services. As used in this paragraph, "eligible

1 apiarist" means a person who owns or keeps one or more bee  
2 colonies and who grows, raises, or produces honey bee products  
3 for sale at wholesale. As used in this paragraph, "honey bee  
4 products" means queen honey bees, packaged honey bees, honey,  
5 pollen, bees wax, propolis, or other substances obtained from  
6 honey bees, but does not include manufactured substances or  
7 articles. This paragraph is exempt from the provisions of  
8 Section 3-75.

9 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
10 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff.  
11 1-4-19; revised 1-8-19.)

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

14 (35 ILCS 115/3-5)

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

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

24 (2) Personal property purchased by a not-for-profit

1 Illinois county fair association for use in conducting,  
2 operating, or promoting the county fair.

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

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

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

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

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

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

1 required to be licensed and units sold mounted on a motor  
2 vehicle required to be licensed if the selling price of the  
3 tender is separately stated.

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

12 Farm machinery and equipment also includes computers,  
13 sensors, software, and related equipment used primarily in the  
14 computer-assisted operation of production agriculture  
15 facilities, equipment, and activities such as, but not limited  
16 to, the collection, monitoring, and correlation of animal and  
17 crop data for the purpose of formulating animal diets and  
18 agricultural chemicals. This item (7) is exempt from the  
19 provisions of Section 3-55.

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

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

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

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

1 required to be registered under the Illinois Vehicle Code.

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

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

18 (13) Beginning January 1, 1992 and through June 30, 2016,  
19 food for human consumption that is to be consumed off the  
20 premises where it is sold (other than alcoholic beverages, soft  
21 drinks and food that has been prepared for immediate  
22 consumption) and prescription and non-prescription medicines,  
23 drugs, medical appliances, and insulin, urine testing  
24 materials, syringes, and needles used by diabetics, for human  
25 use, when purchased for use by a person receiving medical  
26 assistance under Article V of the Illinois Public Aid Code who



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

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

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

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

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

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

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

1 when such repairs are initiated on facilities located in the  
2 declared disaster area within 6 months after the disaster.

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

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

25 (22) Beginning January 1, 2000, personal property,  
26 including food, purchased through fundraising events for the

1 benefit of a public or private elementary or secondary school,  
2 a group of those schools, or one or more school districts if  
3 the events are sponsored by an entity recognized by the school  
4 district that consists primarily of volunteers and includes  
5 parents and teachers of the school children. This paragraph  
6 does not apply to fundraising events (i) for the benefit of  
7 private home instruction or (ii) for which the fundraising  
8 entity purchases the personal property sold at the events from  
9 another individual or entity that sold the property for the  
10 purpose of resale by the fundraising entity and that profits  
11 from the sale to the fundraising entity. This paragraph is  
12 exempt from the provisions of Section 3-55.

13 (23) Beginning January 1, 2000 and through December 31,  
14 2001, new or used automatic vending machines that prepare and  
15 serve hot food and beverages, including coffee, soup, and other  
16 items, and replacement parts for these machines. Beginning  
17 January 1, 2002 and through June 30, 2003, machines and parts  
18 for machines used in commercial, coin-operated amusement and  
19 vending business if a use or occupation tax is paid on the  
20 gross receipts derived from the use of the commercial,  
21 coin-operated amusement and vending machines. This paragraph  
22 is exempt from the provisions of Section 3-55.

23 (24) Beginning on August 2, 2001 (the effective date of  
24 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
25 ~~Assembly~~, computers and communications equipment utilized for  
26 any hospital purpose and equipment used in the diagnosis,

1 analysis, or treatment of hospital patients sold to a lessor  
2 who leases 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 of the  
6 Retailers' Occupation Tax Act. This paragraph is exempt from  
7 the provisions of Section 3-55.

8 (25) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227) ~~this amendatory Act of the 92nd General~~  
10 ~~Assembly~~, personal property sold to a lessor who leases the  
11 property, under a lease of one year or longer executed or in  
12 effect at the time of the purchase, to a governmental body that  
13 has been issued an active tax exemption identification number  
14 by the Department under Section 1g of the Retailers' Occupation  
15 Tax Act. This paragraph is exempt from the provisions of  
16 Section 3-55.

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

1 and thereafter used or consumed solely outside this State. The  
2 Director of Revenue shall, pursuant to rules adopted in  
3 accordance with the Illinois Administrative Procedure Act,  
4 issue a permit to any taxpayer in good standing with the  
5 Department who is eligible for the exemption under this  
6 paragraph (26). The permit issued under this paragraph (26)  
7 shall authorize the holder, to the extent and in the manner  
8 specified in the rules adopted under this Act, to purchase  
9 tangible personal property from a retailer exempt from the  
10 taxes imposed by this Act. Taxpayers shall maintain all  
11 necessary books and records to substantiate the use and  
12 consumption of all such tangible personal property outside of  
13 the State of Illinois.

14 (27) Beginning January 1, 2008, tangible personal property  
15 used in the construction or maintenance of a community water  
16 supply, as defined under Section 3.145 of the Environmental  
17 Protection Act, that is operated by a not-for-profit  
18 corporation that holds a valid water supply permit issued under  
19 Title IV of the Environmental Protection Act. This paragraph is  
20 exempt from the provisions of Section 3-55.

21 (28) 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, but  
25 only if the legal title to the municipal convention hall is  
26 transferred to the municipality without any further

1 consideration by or on behalf of the municipality at the time  
2 of the completion of the municipal convention hall or upon the  
3 retirement or redemption of any bonds or other debt instruments  
4 issued by the public-facilities corporation in connection with  
5 the development of the municipal convention hall. This  
6 exemption includes existing public-facilities corporations as  
7 provided in Section 11-65-25 of the Illinois Municipal Code.  
8 This paragraph is exempt from the provisions of Section 3-55.

9 (29) Beginning January 1, 2010, materials, parts,  
10 equipment, components, and furnishings incorporated into or  
11 upon an aircraft as part of the modification, refurbishment,  
12 completion, replacement, repair, or maintenance of the  
13 aircraft. This exemption includes consumable supplies used in  
14 the modification, refurbishment, completion, replacement,  
15 repair, and maintenance of aircraft, but excludes any  
16 materials, parts, equipment, components, and consumable  
17 supplies used in the modification, replacement, repair, and  
18 maintenance of aircraft engines or power plants, whether such  
19 engines or power plants are installed or uninstalled upon any  
20 such aircraft. "Consumable supplies" include, but are not  
21 limited to, adhesive, tape, sandpaper, general purpose  
22 lubricants, cleaning solution, latex gloves, and protective  
23 films. This exemption applies only to the transfer of  
24 qualifying tangible personal property incident to the  
25 modification, refurbishment, completion, replacement, repair,  
26 or maintenance of an aircraft by persons who (i) hold an Air

1 Agency Certificate and are empowered to operate an approved  
2 repair station by the Federal Aviation Administration, (ii)  
3 have a Class IV Rating, and (iii) conduct operations in  
4 accordance with Part 145 of the Federal Aviation Regulations.  
5 The exemption does not include aircraft operated by a  
6 commercial air carrier providing scheduled passenger air  
7 service pursuant to authority issued under Part 121 or Part 129  
8 of the Federal Aviation Regulations. The changes made to this  
9 paragraph (29) by Public Act 98-534 are declarative of existing  
10 law.

11 (30) Beginning January 1, 2017, menstrual pads, tampons,  
12 and menstrual cups.

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

16 (32) Products purchased by an eligible apiarist for use in  
17 producing honey bee products for sale or for providing bee  
18 pollination services. As used in this paragraph, "eligible  
19 apiarist" means a person who owns or keeps one or more bee  
20 colonies and who grows, raises, or produces honey bee products  
21 for sale at wholesale. As used in this paragraph, "honey bee  
22 products" means queen honey bees, packaged honey bees, honey,  
23 pollen, bees wax, propolis, or other substances obtained from  
24 honey bees, but does not include manufactured substances or  
25 articles. This paragraph is exempt from the provisions of  
26 Section 3-55.



1 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
2 100-22, eff. 7-6-17; 100-594, eff. 6-29-18; 100-1171, eff.  
3 1-4-19; revised 1-8-19.)

4 Section 20. 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  
24 for propagating, growing, or overwintering plants shall be

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

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

15 Farm machinery and equipment also includes computers,  
16 sensors, software, and related equipment used primarily in  
17 the computer-assisted operation of production agriculture  
18 facilities, equipment, and activities such as, but not  
19 limited to, the collection, monitoring, and correlation of  
20 animal and crop data for the purpose of formulating animal  
21 diets and agricultural chemicals. This item (2) is exempt  
22 from the provisions of Section 2-70.

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

1 consumption as motor fuel or as a component of motor fuel  
2 for the personal use of the user, and not subject to sale  
3 or resale.

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

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

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

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

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

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

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

26           (11) Personal property sold to a governmental body, to

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

15 (12) (Blank).

16 (12-5) On and after July 1, 2003 and through June 30,  
17 2004, motor vehicles of the second division with a gross  
18 vehicle weight in excess of 8,000 pounds that are subject  
19 to the commercial distribution fee imposed under Section  
20 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
21 2004 and through June 30, 2005, the use in this State of  
22 motor vehicles of the second division: (i) with a gross  
23 vehicle weight rating in excess of 8,000 pounds; (ii) that  
24 are subject to the commercial distribution fee imposed  
25 under Section 3-815.1 of the Illinois Vehicle Code; and  
26 (iii) that are primarily used for commercial purposes.

1 Through June 30, 2005, this exemption applies to repair and  
2 replacement parts added after the initial purchase of such  
3 a motor vehicle if that motor vehicle is used in a manner  
4 that would qualify for the rolling stock exemption  
5 otherwise provided for in this Act. For purposes of this  
6 paragraph, "used for commercial purposes" means the  
7 transportation of persons or property in furtherance of any  
8 commercial or industrial enterprise whether for-hire or  
9 not.

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

18 (14) Machinery and equipment that will be used by the  
19 purchaser, or a lessee of the purchaser, primarily in the  
20 process of manufacturing or assembling tangible personal  
21 property for wholesale or retail sale or lease, whether the  
22 sale or lease is made directly by the manufacturer or by  
23 some other person, whether the materials used in the  
24 process are owned by the manufacturer or some other person,  
25 or whether the sale or lease is made apart from or as an  
26 incident to the seller's engaging in the service occupation

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

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

25 (16) Tangible personal property sold to a purchaser if  
26 the purchaser is exempt from use tax by operation of

1 federal law. This paragraph is exempt from the provisions  
2 of Section 2-70.

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

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

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

25 (20) Photoprocessing machinery and equipment,  
26 including repair and replacement parts, both new and used,



1 including that manufactured on special order, certified by  
2 the purchaser to be used primarily for photoprocessing, and  
3 including photoprocessing machinery and equipment  
4 purchased for lease.

5 (21) Until July 1, 2023, coal and aggregate  
6 exploration, mining, off-highway hauling, processing,  
7 maintenance, and reclamation equipment, including  
8 replacement parts and equipment, and including equipment  
9 purchased for lease, but excluding motor vehicles required  
10 to be registered under the Illinois Vehicle Code. The  
11 changes made to this Section by Public Act 97-767 apply on  
12 and after July 1, 2003, but no claim for credit or refund  
13 is allowed on or after August 16, 2013 (the effective date  
14 of Public Act 98-456) for such taxes paid during the period  
15 beginning July 1, 2003 and ending on August 16, 2013 (the  
16 effective date of Public Act 98-456).

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

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

8           (23) A transaction in which the purchase order is  
9           received by a florist who is located outside Illinois, but  
10          who has a florist located in Illinois deliver the property  
11          to the purchaser or the purchaser's donee in Illinois.

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

18          (25) Except as provided in item (25-5) of this Section,  
19          a motor vehicle sold in this State to a nonresident even  
20          though the motor vehicle is delivered to the nonresident in  
21          this State, if the motor vehicle is not to be titled in  
22          this State, and if a drive-away permit is issued to the  
23          motor vehicle as provided in Section 3-603 of the Illinois  
24          Vehicle Code or if the nonresident purchaser has vehicle  
25          registration plates to transfer to the motor vehicle upon  
26          returning to his or her home state. The issuance of the

1 drive-away permit or having the out-of-state registration  
2 plates to be transferred is prima facie evidence that the  
3 motor vehicle will not be titled in this State.

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

1 filing of an intent to title the vehicle in the purchaser's  
2 state of residence if the purchaser titles the vehicle in  
3 his or her state of residence within 30 days after the date  
4 of sale. The tax collected under this Act in accordance  
5 with this item (25-5) shall be proportionately distributed  
6 as if the tax were collected at the 6.25% general rate  
7 imposed under this Act.

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

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

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

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

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

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

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

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

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

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

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

1 is exempt from the provisions of Section 2-70, and the  
2 exemption provided for under this item (27) applies for all  
3 periods beginning May 30, 1995, but no claim for credit or  
4 refund is allowed on or after January 1, 2008 (the  
5 effective date of Public Act 95-88) for such taxes paid  
6 during the period beginning May 30, 2000 and ending on  
7 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

1 provisions of Section 2-70.

2 (40) Beginning January 1, 2010, materials, parts,  
3 equipment, components, and furnishings incorporated into  
4 or upon an aircraft as part of the modification,  
5 refurbishment, completion, replacement, repair, or  
6 maintenance of the aircraft. This exemption includes  
7 consumable supplies used in the modification,  
8 refurbishment, completion, replacement, repair, and  
9 maintenance of aircraft, but excludes any materials,  
10 parts, equipment, components, and consumable supplies used  
11 in the modification, replacement, repair, and maintenance  
12 of aircraft engines or power plants, whether such engines  
13 or power plants are installed or uninstalled upon any such  
14 aircraft. "Consumable supplies" include, but are not  
15 limited to, adhesive, tape, sandpaper, general purpose  
16 lubricants, cleaning solution, latex gloves, and  
17 protective films. This exemption applies only to the sale  
18 of qualifying tangible personal property to persons who  
19 modify, refurbish, complete, replace, or maintain an  
20 aircraft and who (i) hold an Air Agency Certificate and are  
21 empowered to operate an approved repair station by the  
22 Federal Aviation Administration, (ii) have a Class IV  
23 Rating, and (iii) conduct operations in accordance with  
24 Part 145 of the Federal Aviation Regulations. The exemption  
25 does not include aircraft operated by a commercial air  
26 carrier providing scheduled passenger air service pursuant

1 to authority issued under Part 121 or Part 129 of the  
2 Federal Aviation Regulations. The changes made to this  
3 paragraph (40) by Public Act 98-534 are declarative of  
4 existing law.

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

20 (42) Beginning January 1, 2017, menstrual pads,  
21 tampons, and menstrual cups.

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

1 under the Rental Purchase Agreement Occupation and Use Tax  
2 Act. This paragraph is exempt from the provisions of  
3 Section 2-70.

4 (44) Products purchased by an eligible apiarist for use  
5 in producing honey bee products for sale or for providing  
6 bee pollination services. As used in this paragraph,  
7 "eligible apiarist" means a person who owns or keeps one or  
8 more bee colonies and who grows, raises, or produces honey  
9 bee products for sale at wholesale. As used in this  
10 paragraph, "honey bee products" means queen honey bees,  
11 packaged honey bees, honey, pollen, bees wax, propolis, or  
12 other substances obtained from honey bees, but does not  
13 include manufactured substances or articles. This  
14 paragraph is exempt from the provisions of Section 2-70.

15 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
16 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
17 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18;  
18 100-1171, eff. 1-4-19; revised 1-8-19.)