

# SB1249



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB1249

Introduced 2/3/2023, by Sen. Doris Turner

### 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, beginning on January 1, 2024, the exemption for farm machinery and equipment also includes electrical power generation equipment used primarily for production agriculture. Effective immediately.

LRB103 00142 HLH 45147 b

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  
20 or cultural organization that establishes, by proof required  
21 by the Department by rule, that it has received an exemption  
22 under Section 501(c)(3) of the Internal Revenue Code and that  
23 is 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  
24 exemption 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  
5 and 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  
11 a graphic arts product. Beginning on July 1, 2017, graphic  
12 arts machinery and equipment is included in the manufacturing  
13 and assembling machinery and equipment exemption under  
14 paragraph (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  
9 to be registered under Section 3-809 of the Illinois Vehicle  
10 Code, but excluding other motor vehicles required to be  
11 registered under the Illinois Vehicle Code. Horticultural  
12 polyhouses or hoop houses used for propagating, growing, or  
13 overwintering plants shall be considered farm machinery and  
14 equipment under this item (11). Agricultural chemical tender  
15 tanks and dry boxes shall include units sold separately from a  
16 motor vehicle required to be licensed and units sold mounted  
17 on a motor vehicle required to be licensed if the selling price  
18 of the 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.

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

11 This item (11) is exempt from the provisions of Section  
12 3-90.

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

20 Beginning July 1, 2013, fuel and petroleum products sold  
21 to or used by an air carrier, certified by the carrier to be  
22 used for consumption, shipment, or storage in the conduct of  
23 its business as an air common carrier, for a flight that (i) is  
24 engaged in foreign trade or is engaged in trade between the  
25 United States and any of its possessions and (ii) transports  
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same  
2 aircraft, without regard to a change in the flight number of  
3 that aircraft.

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

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

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

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

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

18           (18) Manufacturing and assembling machinery and equipment  
19 used primarily in the process of manufacturing or assembling  
20 tangible personal property for wholesale or retail sale or  
21 lease, whether that sale or lease is made directly by the  
22 manufacturer or by some other person, whether the materials  
23 used in the process are owned by the manufacturer or some other  
24 person, or whether that sale or lease is made apart from or as  
25 an incident to the seller's engaging in the service occupation  
26 of producing machines, tools, dies, jigs, patterns, gauges, or



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

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

23 (20) Semen used for artificial insemination of livestock  
24 for direct agricultural production.

25 (21) Horses, or interests in horses, registered with and  
26 meeting the requirements of any of the Arabian Horse Club

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

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

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

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

1 Department.

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

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

25 (26) Beginning July 1, 1999, game or game birds purchased  
26 at a "game breeding and hunting preserve area" as that term is

1 used in the Wildlife Code. This paragraph is exempt from the  
2 provisions of Section 3-90.

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

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

1 district that consists primarily of volunteers and includes  
2 parents and teachers of the school children. This paragraph  
3 does not apply to fundraising events (i) for the benefit of  
4 private home instruction or (ii) for which the fundraising  
5 entity purchases the personal property sold at the events from  
6 another individual or entity that sold the property for the  
7 purpose of resale by the fundraising entity and that profits  
8 from the sale to the fundraising entity. This paragraph is  
9 exempt from the provisions of Section 3-90.

10 (29) Beginning January 1, 2000 and through December 31,  
11 2001, new or used automatic vending machines that prepare and  
12 serve hot food and beverages, including coffee, soup, and  
13 other items, and replacement parts for these machines.  
14 Beginning January 1, 2002 and through June 30, 2003, machines  
15 and parts for machines used in commercial, coin-operated  
16 amusement and vending business if a use or occupation tax is  
17 paid on the gross receipts derived from the use of the  
18 commercial, coin-operated amusement and vending machines. This  
19 paragraph is exempt from the provisions of Section 3-90.

20 (30) Beginning January 1, 2001 and through June 30, 2016,  
21 food for human consumption that is to be consumed off the  
22 premises where it is sold (other than alcoholic beverages,  
23 soft drinks, and food that has been prepared for immediate  
24 consumption) and prescription and nonprescription medicines,  
25 drugs, medical appliances, and insulin, urine testing  
26 materials, syringes, and needles used by diabetics, for human

1 use, when purchased for use by a person receiving medical  
2 assistance under Article V of the Illinois Public Aid Code who  
3 resides in a licensed long-term care facility, as defined in  
4 the Nursing Home Care Act, or in a licensed facility as defined  
5 in the ID/DD Community Care Act, the MC/DD Act, or the  
6 Specialized Mental Health Rehabilitation Act of 2013.

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

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

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



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

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

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

1 under Title IV of the Environmental Protection Act. This  
2 paragraph is exempt from the provisions of Section 3-90.

3 (35) Beginning January 1, 2010 and continuing through  
4 December 31, 2024, materials, parts, equipment, components,  
5 and furnishings incorporated into or upon an aircraft as part  
6 of the modification, refurbishment, completion, replacement,  
7 repair, or maintenance of the aircraft. This exemption  
8 includes consumable supplies used in the modification,  
9 refurbishment, completion, replacement, repair, and  
10 maintenance of aircraft, but excludes any materials, parts,  
11 equipment, components, and consumable supplies used in the  
12 modification, replacement, repair, and maintenance of aircraft  
13 engines or power plants, whether such engines or power plants  
14 are installed or uninstalled upon any such aircraft.  
15 "Consumable supplies" include, but are not limited to,  
16 adhesive, tape, sandpaper, general purpose lubricants,  
17 cleaning solution, latex gloves, and protective films. This  
18 exemption applies only to the use of qualifying tangible  
19 personal property by persons who modify, refurbish, complete,  
20 repair, replace, or maintain aircraft and who (i) hold an Air  
21 Agency Certificate and are empowered to operate an approved  
22 repair station by the Federal Aviation Administration, (ii)  
23 have a Class IV Rating, and (iii) conduct operations in  
24 accordance with Part 145 of the Federal Aviation Regulations.  
25 The exemption does not include aircraft operated by a  
26 commercial air carrier providing scheduled passenger air

1 service pursuant to authority issued under Part 121 or Part  
2 129 of the Federal Aviation Regulations. The changes made to  
3 this paragraph (35) by Public Act 98-534 are declarative of  
4 existing law. It is the intent of the General Assembly that the  
5 exemption under this paragraph (35) applies continuously from  
6 January 1, 2010 through December 31, 2024; however, no claim  
7 for credit or refund is allowed for taxes paid as a result of  
8 the disallowance of this exemption on or after January 1, 2015  
9 and prior to February 5, 2020 (the effective date of Public Act  
10 101-629) ~~this amendatory Act of the 101st General Assembly.~~

11 (36) Tangible personal property purchased by a  
12 public-facilities corporation, as described in Section  
13 11-65-10 of the Illinois Municipal Code, for purposes of  
14 constructing or furnishing a municipal convention hall, but  
15 only if the legal title to the municipal convention hall is  
16 transferred to the municipality without any further  
17 consideration by or on behalf of the municipality at the time  
18 of the completion of the municipal convention hall or upon the  
19 retirement or redemption of any bonds or other debt  
20 instruments issued by the public-facilities corporation in  
21 connection with the development of the municipal convention  
22 hall. This exemption includes existing public-facilities  
23 corporations as provided in Section 11-65-25 of the Illinois  
24 Municipal Code. This paragraph is exempt from the provisions  
25 of Section 3-90.

26 (37) Beginning January 1, 2017 and through December 31,

1 2026, menstrual pads, tampons, and menstrual cups.

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

9 (39) Tangible personal property purchased by a purchaser  
10 who is exempt from the tax imposed by this Act by operation of  
11 federal law. This paragraph is exempt from the provisions of  
12 Section 3-90.

13 (40) Qualified tangible personal property used in the  
14 construction or operation of a data center that has been  
15 granted a certificate of exemption by the Department of  
16 Commerce and Economic Opportunity, whether that tangible  
17 personal property is purchased by the owner, operator, or  
18 tenant of the data center or by a contractor or subcontractor  
19 of the owner, operator, or tenant. Data centers that would  
20 have qualified for a certificate of exemption prior to January  
21 1, 2020 had Public Act 101-31 been in effect may apply for and  
22 obtain an exemption for subsequent purchases of computer  
23 equipment or enabling software purchased or leased to upgrade,  
24 supplement, or replace computer equipment or enabling software  
25 purchased or leased in the original investment that would have  
26 qualified.

1           The Department of Commerce and Economic Opportunity shall  
2 grant a certificate of exemption under this item (40) to  
3 qualified data centers as defined by Section 605-1025 of the  
4 Department of Commerce and Economic Opportunity Law of the  
5 Civil Administrative Code of Illinois.

6           For the purposes of this item (40):

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

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

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

12 This item (40) is exempt from the provisions of Section  
13 3-90.

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

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

25 "Breast pump collection and storage supplies" means  
26 items of tangible personal property designed or marketed

1 to be used in conjunction with a breast pump to collect  
2 milk expressed from a human breast and to store collected  
3 milk until it is ready for consumption.

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

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

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

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

4 (42) ~~(41)~~ Tangible personal property sold by or on behalf  
5 of the State Treasurer pursuant to the Revised Uniform  
6 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the  
7 provisions of Section 3-90.

8 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
9 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
10 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;  
11 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,  
12 eff. 5-27-22; revised 8-1-22.)

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

15 (35 ILCS 110/3-5)

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

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



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

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

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

23           (5) Until July 1, 2003 and beginning again on September 1,  
24 2004 through August 30, 2014, graphic arts machinery and  
25 equipment, including repair and replacement parts, both new  
26 and used, and including that manufactured on special order or

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

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

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

1 tanks and dry boxes shall include units sold separately from a  
2 motor vehicle required to be licensed and units sold mounted  
3 on a motor vehicle required to be licensed if the selling price  
4 of the tender is separately stated.

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

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

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

23 This item (7) is exempt from the provisions of Section  
24 3-75.

25 (8) Until June 30, 2013, fuel and petroleum products sold  
26 to or used by an air common carrier, certified by the carrier

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

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

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

25 (10) Until July 1, 2003, oil field exploration, drilling,  
26 and production equipment, including (i) rigs and parts of

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

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

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

26 (13) Semen used for artificial insemination of livestock

1 for direct agricultural production.

2 (14) Horses, or interests in horses, registered with and  
3 meeting the requirements of any of the Arabian Horse Club  
4 Registry of America, Appaloosa Horse Club, American Quarter  
5 Horse Association, United States Trotting Association, or  
6 Jockey Club, as appropriate, used for purposes of breeding or  
7 racing for prizes. This item (14) is exempt from the  
8 provisions of Section 3-75, and the exemption provided for  
9 under this item (14) applies for all periods beginning May 30,  
10 1995, but no claim for credit or refund is allowed on or after  
11 January 1, 2008 (the effective date of Public Act 95-88) for  
12 such taxes paid during the period beginning May 30, 2000 and  
13 ending on January 1, 2008 (the effective date of Public Act  
14 95-88).

15 (15) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients purchased by a  
18 lessor who leases the equipment, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the equipment is leased  
24 in a manner that does not qualify for this exemption or is used  
25 in any other non-exempt manner, the lessor shall be liable for  
26 the tax imposed under this Act or the Use Tax Act, as the case

1 may be, based on the fair market value of the property at the  
2 time the non-qualifying use occurs. No lessor shall collect or  
3 attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Use Tax Act, as the case may be, if the tax has not  
6 been paid by the lessor. If a lessor improperly collects any  
7 such amount from the lessee, the lessee shall have a legal  
8 right to claim a refund of that amount from the lessor. If,  
9 however, that amount is not refunded to the lessee for any  
10 reason, the lessor is liable to pay that amount to the  
11 Department.

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

1 by the lessor. If a lessor improperly collects any such amount  
2 from the lessee, the lessee shall have a legal right to claim a  
3 refund of that amount from the lessor. If, however, that  
4 amount is not refunded to the lessee for any reason, the lessor  
5 is liable to pay that amount to the Department.

6 (17) 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 donated  
9 for disaster relief to be used in a State or federally declared  
10 disaster area in Illinois or bordering Illinois by a  
11 manufacturer or retailer that is registered in this State to a  
12 corporation, society, association, foundation, or institution  
13 that has been issued a sales tax exemption identification  
14 number by the Department that assists victims of the disaster  
15 who reside within the declared disaster area.

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



1 in the declared disaster area within 6 months after the  
2 disaster.

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

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

26 (21) Beginning January 1, 2000, personal property,

1 including food, purchased through fundraising events for the  
2 benefit of a public or private elementary or secondary school,  
3 a group of those schools, or one or more school districts if  
4 the events are sponsored by an entity recognized by the school  
5 district that consists primarily of volunteers and includes  
6 parents and teachers of the school children. This paragraph  
7 does not apply to fundraising events (i) for the benefit of  
8 private home instruction or (ii) for which the fundraising  
9 entity purchases the personal property sold at the events from  
10 another individual or entity that sold the property for the  
11 purpose of resale by the fundraising entity and that profits  
12 from the sale to the fundraising entity. This paragraph is  
13 exempt from the provisions of Section 3-75.

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

24 (23) Beginning August 23, 2001 and through June 30, 2016,  
25 food for human consumption that is to be consumed off the  
26 premises where it is sold (other than alcoholic beverages,

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

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

1 purports to reimburse that lessor for the tax imposed by this  
2 Act or the Use Tax Act, as the case may be, if the tax has not  
3 been paid by the lessor. If a lessor improperly collects any  
4 such amount from the lessee, the lessee shall have a legal  
5 right to claim a refund of that amount from the lessor. If,  
6 however, that amount is not refunded to the lessee for any  
7 reason, the lessor is liable to pay that amount to the  
8 Department. This paragraph is exempt from the provisions of  
9 Section 3-75.

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

1 from the lessee, the lessee shall have a legal right to claim a  
2 refund of that amount from the lessor. If, however, that  
3 amount is not refunded to the lessee for any reason, the lessor  
4 is liable to pay that amount to the Department. This paragraph  
5 is exempt from the provisions of Section 3-75.

6 (26) Beginning January 1, 2008, tangible personal property  
7 used in the construction or maintenance of a community water  
8 supply, as defined under Section 3.145 of the Environmental  
9 Protection Act, that is operated by a not-for-profit  
10 corporation that holds a valid water supply permit issued  
11 under Title IV of the Environmental Protection Act. This  
12 paragraph is exempt from the provisions of Section 3-75.

13 (27) Beginning January 1, 2010 and continuing through  
14 December 31, 2024, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft, but excludes any materials, parts,  
21 equipment, components, and consumable supplies used in the  
22 modification, replacement, repair, and maintenance of aircraft  
23 engines or power plants, whether such engines or power plants  
24 are installed or uninstalled upon any such aircraft.  
25 "Consumable supplies" include, but are not limited to,  
26 adhesive, tape, sandpaper, general purpose lubricants,

1 cleaning solution, latex gloves, and protective films. This  
2 exemption applies only to the use of qualifying tangible  
3 personal property transferred incident to the modification,  
4 refurbishment, completion, replacement, repair, or maintenance  
5 of aircraft by persons who (i) hold an Air Agency Certificate  
6 and are empowered to operate an approved repair station by the  
7 Federal Aviation Administration, (ii) have a Class IV Rating,  
8 and (iii) conduct operations in accordance with Part 145 of  
9 the Federal Aviation Regulations. The exemption does not  
10 include aircraft operated by a commercial air carrier  
11 providing scheduled passenger air service pursuant to  
12 authority issued under Part 121 or Part 129 of the Federal  
13 Aviation Regulations. The changes made to this paragraph (27)  
14 by Public Act 98-534 are declarative of existing law. It is the  
15 intent of the General Assembly that the exemption under this  
16 paragraph (27) applies continuously from January 1, 2010  
17 through December 31, 2024; however, no claim for credit or  
18 refund is allowed for taxes paid as a result of the  
19 disallowance of this exemption on or after January 1, 2015 and  
20 prior to February 5, 2020 (the effective date of Public Act  
21 101-629) ~~this amendatory Act of the 101st General Assembly.~~

22 (28) Tangible personal property purchased by a  
23 public-facilities corporation, as described in Section  
24 11-65-10 of the Illinois Municipal Code, for purposes of  
25 constructing or furnishing a municipal convention hall, but  
26 only if the legal title to the municipal convention hall is

1 transferred to the municipality without any further  
2 consideration by or on behalf of the municipality at the time  
3 of the completion of the municipal convention hall or upon the  
4 retirement or redemption of any bonds or other debt  
5 instruments issued by the public-facilities corporation in  
6 connection with the development of the municipal convention  
7 hall. This exemption includes existing public-facilities  
8 corporations as provided in Section 11-65-25 of the Illinois  
9 Municipal Code. This paragraph is exempt from the provisions  
10 of Section 3-75.

11 (29) Beginning January 1, 2017 and through December 31,  
12 2026, menstrual pads, tampons, and menstrual cups.

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

17 (31) Qualified tangible personal property used in the  
18 construction or operation of a data center that has been  
19 granted a certificate of exemption by the Department of  
20 Commerce and Economic Opportunity, whether that tangible  
21 personal property is purchased by the owner, operator, or  
22 tenant of the data center or by a contractor or subcontractor  
23 of the owner, operator, or tenant. Data centers that would  
24 have qualified for a certificate of exemption prior to January  
25 1, 2020 had Public Act 101-31 ~~this amendatory Act of the 101st~~  
26 ~~General Assembly~~ been in effect, may apply for and obtain an

1 exemption for subsequent purchases of computer equipment or  
2 enabling software purchased or leased to upgrade, supplement,  
3 or replace computer equipment or enabling software purchased  
4 or leased in the original investment that would have  
5 qualified.

6 The Department of Commerce and Economic Opportunity shall  
7 grant a certificate of exemption under this item (31) to  
8 qualified data centers as defined by Section 605-1025 of the  
9 Department of Commerce and Economic Opportunity Law of the  
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (31):

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

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



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

17 This item (31) is exempt from the provisions of Section  
18 3-75.

19 (32) Beginning July 1, 2022, breast pumps, breast pump  
20 collection and storage supplies, and breast pump kits. This  
21 item (32) is exempt from the provisions of Section 3-75. As  
22 used in this item (32):

23 "Breast pump" means an electrically controlled or  
24 manually controlled pump device designed or marketed to be  
25 used to express milk from a human breast during lactation,  
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump  
2 device and is packaged and sold with the pump device at the  
3 time of sale.

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

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

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

1 or distributor.

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

9 (33) ~~(32)~~ Tangible personal property sold by or on behalf  
10 of the State Treasurer pursuant to the Revised Uniform  
11 Unclaimed Property Act. This item (33) ~~(32)~~ is exempt from the  
12 provisions of Section 3-75.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article  
15 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
16 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

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

19 (35 ILCS 115/3-5)

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

22 (1) Personal property sold by a corporation, society,  
23 association, foundation, institution, or organization, other  
24 than a limited liability company, that is organized and

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

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

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

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

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

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

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

1 registered under the Illinois Vehicle Code. Horticultural  
2 polyhouses or hoop houses used for propagating, growing, or  
3 overwintering plants shall be considered farm machinery and  
4 equipment under this item (7). Agricultural chemical tender  
5 tanks and dry boxes shall include units sold separately from a  
6 motor vehicle required to be licensed and units sold mounted  
7 on a motor vehicle required to be licensed if the selling price  
8 of the tender is separately stated.

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

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

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

1           This item (7) is exempt from the provisions of Section  
2 3-55.

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

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

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

1 imposed.

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

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

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



1 16, 2013 (the effective date of Public Act 98-456).

2 (13) Beginning January 1, 1992 and through June 30, 2016,  
3 food for human consumption that is to be consumed off the  
4 premises where it is sold (other than alcoholic beverages,  
5 soft drinks and food that has been prepared for immediate  
6 consumption) and prescription and non-prescription medicines,  
7 drugs, medical appliances, and insulin, urine testing  
8 materials, syringes, and needles used by diabetics, for human  
9 use, when purchased for use by a person receiving medical  
10 assistance under Article V of the Illinois Public Aid Code who  
11 resides in a licensed long-term care facility, as defined in  
12 the Nursing Home Care Act, or in a licensed facility as defined  
13 in the ID/DD Community Care Act, the MC/DD Act, or the  
14 Specialized Mental Health Rehabilitation Act of 2013.

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

17 (15) 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 (15) is exempt from the  
23 provisions of Section 3-55, and the exemption provided for  
24 under this item (15) applies for all periods beginning May 30,  
25 1995, but no claim for credit or refund is allowed on or after  
26 January 1, 2008 (the effective date of Public Act 95-88) for

1 such taxes paid during the period beginning May 30, 2000 and  
2 ending on January 1, 2008 (the effective date of Public Act  
3 95-88).

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

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

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

1 who reside within the declared disaster area.

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

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

19 (21) 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  
23 Department to be organized and operated exclusively for  
24 educational purposes. For purposes of this exemption, "a  
25 corporation, limited liability company, society, association,  
26 foundation, or institution organized and operated exclusively

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

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

26 (23) Beginning January 1, 2000 and through December 31,

1 2001, new or used automatic vending machines that prepare and  
2 serve hot food and beverages, including coffee, soup, and  
3 other items, and replacement parts for these machines.  
4 Beginning January 1, 2002 and through June 30, 2003, machines  
5 and parts for machines used in commercial, coin-operated  
6 amusement and vending business if a use or occupation tax is  
7 paid on the gross receipts derived from the use of the  
8 commercial, coin-operated amusement and vending machines. This  
9 paragraph is exempt from the provisions of Section 3-55.

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

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

1 from the provisions of Section 3-55.

2 (26) Beginning on January 1, 2002 and through June 30,  
3 2016, tangible personal property purchased from an Illinois  
4 retailer by a taxpayer engaged in centralized purchasing  
5 activities in Illinois who will, upon receipt of the property  
6 in Illinois, temporarily store the property in Illinois (i)  
7 for the purpose of subsequently transporting it outside this  
8 State for use or consumption thereafter solely outside this  
9 State or (ii) for the purpose of being processed, fabricated,  
10 or manufactured into, attached to, or incorporated into other  
11 tangible personal property to be transported outside this  
12 State and thereafter used or consumed solely outside this  
13 State. The Director of Revenue shall, pursuant to rules  
14 adopted in accordance with the Illinois Administrative  
15 Procedure Act, issue a permit to any taxpayer in good standing  
16 with the Department who is eligible for the exemption under  
17 this paragraph (26). The permit issued under this paragraph  
18 (26) shall authorize the holder, to the extent and in the  
19 manner specified in the rules adopted under this Act, to  
20 purchase tangible personal property from a retailer exempt  
21 from the taxes imposed by this Act. Taxpayers shall maintain  
22 all necessary books and records to substantiate the use and  
23 consumption of all such tangible personal property outside of  
24 the State of Illinois.

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

1 supply, as defined under Section 3.145 of the Environmental  
2 Protection Act, that is operated by a not-for-profit  
3 corporation that holds a valid water supply permit issued  
4 under Title IV of the Environmental Protection Act. This  
5 paragraph is exempt from the provisions of Section 3-55.

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

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

1 refurbishment, completion, replacement, repair, and  
2 maintenance of aircraft, but excludes any materials, parts,  
3 equipment, components, and consumable supplies used in the  
4 modification, replacement, repair, and maintenance of aircraft  
5 engines or power plants, whether such engines or power plants  
6 are installed or uninstalled upon any such aircraft.  
7 "Consumable supplies" include, but are not limited to,  
8 adhesive, tape, sandpaper, general purpose lubricants,  
9 cleaning solution, latex gloves, and protective films. This  
10 exemption applies only to the transfer of qualifying tangible  
11 personal property incident to the modification, refurbishment,  
12 completion, replacement, repair, or maintenance of an aircraft  
13 by persons who (i) hold an Air Agency Certificate and are  
14 empowered to operate an approved repair station by the Federal  
15 Aviation Administration, (ii) have a Class IV Rating, and  
16 (iii) conduct operations in accordance with Part 145 of the  
17 Federal Aviation Regulations. The exemption does not include  
18 aircraft operated by a commercial air carrier providing  
19 scheduled passenger air service pursuant to authority issued  
20 under Part 121 or Part 129 of the Federal Aviation  
21 Regulations. The changes made to this paragraph (29) by Public  
22 Act 98-534 are declarative of existing law. It is the intent of  
23 the General Assembly that the exemption under this paragraph  
24 (29) applies continuously from January 1, 2010 through  
25 December 31, 2024; however, no claim for credit or refund is  
26 allowed for taxes paid as a result of the disallowance of this



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

4 (30) Beginning January 1, 2017 and through December 31,  
5 2026, menstrual pads, tampons, and menstrual cups.

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

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

24 The Department of Commerce and Economic Opportunity shall  
25 grant a certificate of exemption under this item (32) to  
26 qualified data centers as defined by Section 605-1025 of the

1 Department of Commerce and Economic Opportunity Law of the  
2 Civil Administrative Code of Illinois.

3 For the purposes of this item (32):

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

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

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

9 This item (32) is exempt from the provisions of Section  
10 3-55.

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

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

22 "Breast pump collection and storage supplies" means  
23 items of tangible personal property designed or marketed  
24 to be used in conjunction with a breast pump to collect  
25 milk expressed from a human breast and to store collected  
26 milk until it is ready for consumption.

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

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

20 "Breast pump kit" means a kit that: (1) contains no  
21 more than a breast pump, breast pump collection and  
22 storage supplies, a rechargeable battery for operating the  
23 breast pump, a breastmilk cooler, bottle stands, ice  
24 packs, and a breast pump carrying case; and (2) is  
25 pre-packaged as a breast pump kit by the breast pump  
26 manufacturer or distributor.

1        (34) ~~(33)~~ Tangible personal property sold by or on behalf  
2 of the State Treasurer pursuant to the Revised Uniform  
3 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the  
4 provisions of Section 3-55.

5        (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
6 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article  
7 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
8 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

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

11        (35 ILCS 120/2-5)

12        Sec. 2-5. Exemptions. Gross receipts from proceeds from  
13 the sale of the following tangible personal property are  
14 exempt from the tax imposed by this Act:

15                (1) Farm chemicals.

16                (2) Farm machinery and equipment, both new and used,  
17 including that manufactured on special order, certified by  
18 the purchaser to be used primarily for production  
19 agriculture or State or federal agricultural programs,  
20 including individual replacement parts for the machinery  
21 and equipment, including machinery and equipment purchased  
22 for lease, and including implements of husbandry defined  
23 in Section 1-130 of the Illinois Vehicle Code, farm  
24 machinery and agricultural chemical and fertilizer

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

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

21       Farm machinery and equipment also includes computers,  
22       sensors, software, and related equipment used primarily in  
23       the computer-assisted operation of production agriculture  
24       facilities, equipment, and activities such as, but not  
25       limited to, the collection, monitoring, and correlation of  
26       animal and crop data for the purpose of formulating animal

1 diets and agricultural chemicals.

2 Beginning on January 1, 2024, farm machinery and  
3 equipment also includes electrical power generation  
4 equipment used primarily for production agriculture.

5 This item (2) is exempt from the provisions of Section  
6 2-70.

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

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

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

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

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

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

14          (9) Personal property sold to a not-for-profit arts or  
15          cultural organization that establishes, by proof required  
16          by the Department by rule, that it has received an  
17          exemption under Section 501(c)(3) of the Internal Revenue  
18          Code and that is organized and operated primarily for the  
19          presentation or support of arts or cultural programming,  
20          activities, or services. These organizations include, but  
21          are not limited to, music and dramatic arts organizations  
22          such as symphony orchestras and theatrical groups, arts  
23          and cultural service organizations, local arts councils,  
24          visual arts organizations, and media arts organizations.  
25          On and after July 1, 2001 (the effective date of Public Act  
26          92-35), however, an entity otherwise eligible for this



1 exemption shall not make tax-free purchases unless it has  
2 an active identification number issued by the Department.

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

10 (11) Personal property sold to a governmental body, to  
11 a corporation, society, association, foundation, or  
12 institution organized and operated exclusively for  
13 charitable, religious, or educational purposes, or to a  
14 not-for-profit corporation, society, association,  
15 foundation, institution, or organization that has no  
16 compensated officers or employees and that is organized  
17 and operated primarily for the recreation of persons 55  
18 years of age or older. A limited liability company may  
19 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  
23 exemption shall make tax-free purchases unless it has an  
24 active identification number issued by the Department.

25 (12) (Blank).

26 (12-5) On and after July 1, 2003 and through June 30,

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

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

1 interstate commerce.

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

1 defined in paragraph (4) of this Section.

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

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

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

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

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

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

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

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

1 2013 (the effective date of Public Act 98-456).

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

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

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

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

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

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

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

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

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

24 (1) the aircraft leaves this State within 15 days  
25 after the later of either the issuance of the final  
26 billing for the sale of the aircraft, or the



1 authorized approval for return to service, completion  
2 of the maintenance record entry, and completion of the  
3 test flight and ground test for inspection, as  
4 required by 14 CFR ~~C.F.R.~~ 91.407;

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

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

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

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

24 "Registered in this State" means an aircraft  
25 registered with the Department of Transportation,  
26 Aeronautics Division, or titled or registered with the

1 Federal Aviation Administration to an address located in  
2 this State.

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

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

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

21 (28) Computers and communications equipment utilized  
22 for any hospital purpose and equipment used in the  
23 diagnosis, analysis, or treatment of hospital patients  
24 sold to a lessor who leases the equipment, under a lease of  
25 one year or longer executed or in effect at the time of the  
26 purchase, to a hospital that has been issued an active tax

1 exemption identification number by the Department under  
2 Section 1g of this Act.

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

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

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

1 distribution and purification facilities, storm water  
2 drainage and retention facilities, and sewage treatment  
3 facilities, resulting from a State or federally declared  
4 disaster in Illinois or bordering Illinois when such  
5 repairs are initiated on facilities located in the  
6 declared disaster area within 6 months after the disaster.

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

11 (33) A motor vehicle, as that term is defined in  
12 Section 1-146 of the Illinois Vehicle Code, that is  
13 donated to a corporation, limited liability company,  
14 society, association, foundation, or institution that is  
15 determined by the Department to be organized and operated  
16 exclusively for educational purposes. For purposes of this  
17 exemption, "a corporation, limited liability company,  
18 society, association, foundation, or institution organized  
19 and operated exclusively for educational purposes" means  
20 all tax-supported public schools, private schools that  
21 offer systematic instruction in useful branches of  
22 learning by methods common to public schools and that  
23 compare favorably in their scope and intensity with the  
24 course of study presented in tax-supported schools, and  
25 vocational or technical schools or institutes organized  
26 and operated exclusively to provide a course of study of

1 not less than 6 weeks duration and designed to prepare  
2 individuals to follow a trade or to pursue a manual,  
3 technical, mechanical, industrial, business, or commercial  
4 occupation.

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

20 (35) Beginning January 1, 2000 and through December  
21 31, 2001, new or used automatic vending machines that  
22 prepare and serve hot food and beverages, including  
23 coffee, soup, and other items, and replacement parts for  
24 these machines. Beginning January 1, 2002 and through June  
25 30, 2003, machines and parts for machines used in  
26 commercial, coin-operated amusement and vending business

1 if a use or occupation tax is paid on the gross receipts  
2 derived from the use of the commercial, coin-operated  
3 amusement and vending machines. This paragraph is exempt  
4 from the provisions of Section 2-70.

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

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

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

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

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

1 (38) shall authorize the holder, to the extent and in the  
2 manner specified in the rules adopted under this Act, to  
3 purchase tangible personal property from a retailer exempt  
4 from the taxes imposed by this Act. Taxpayers shall  
5 maintain all necessary books and records to substantiate  
6 the use and consumption of all such tangible personal  
7 property outside of the State of Illinois.

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

16 (40) Beginning January 1, 2010 and continuing through  
17 December 31, 2024, materials, parts, equipment,  
18 components, and furnishings incorporated into or upon an  
19 aircraft as part of the modification, refurbishment,  
20 completion, replacement, repair, or maintenance of the  
21 aircraft. This exemption includes consumable supplies used  
22 in the modification, refurbishment, completion,  
23 replacement, repair, and maintenance of aircraft, but  
24 excludes any materials, parts, equipment, components, and  
25 consumable supplies used in the modification, replacement,  
26 repair, and maintenance of aircraft engines or power



1 plants, whether such engines or power plants are installed  
2 or uninstalled upon any such aircraft. "Consumable  
3 supplies" include, but are not limited to, adhesive, tape,  
4 sandpaper, general purpose lubricants, cleaning solution,  
5 latex gloves, and protective films. This exemption applies  
6 only to the sale of qualifying tangible personal property  
7 to persons who modify, refurbish, complete, replace, or  
8 maintain an aircraft and who (i) hold an Air Agency  
9 Certificate and are empowered to operate an approved  
10 repair station by the Federal Aviation Administration,  
11 (ii) have a Class IV Rating, and (iii) conduct operations  
12 in accordance with Part 145 of the Federal Aviation  
13 Regulations. The exemption does not include aircraft  
14 operated by a commercial air carrier providing scheduled  
15 passenger air service pursuant to authority issued under  
16 Part 121 or Part 129 of the Federal Aviation Regulations.  
17 The changes made to this paragraph (40) by Public Act  
18 98-534 are declarative of existing law. It is the intent  
19 of the General Assembly that the exemption under this  
20 paragraph (40) applies continuously from January 1, 2010  
21 through December 31, 2024; however, no claim for credit or  
22 refund is allowed for taxes paid as a result of the  
23 disallowance of this exemption on or after January 1, 2015  
24 and prior to February 5, 2020 (the effective date of  
25 Public Act 101-629) ~~this amendatory Act of the 101st~~  
26 ~~General Assembly.~~

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

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

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

26           (44) Qualified tangible personal property used in the

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

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

22 For the purposes of this item (44):

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

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

1 certificate of eligibility issued by the Department of  
2 Commerce and Economic Opportunity.

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

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

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

26 "Breast pump" means an electrically controlled or

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

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

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

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

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

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

12 (47) ~~(46)~~ Tangible personal property sold by or on  
13 behalf of the State Treasurer pursuant to the Revised  
14 Uniform Unclaimed Property Act. This item (47) ~~(46)~~ is  
15 exempt from the provisions of Section 2-70.

16 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
17 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
18 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;  
19 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,  
20 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

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