

SB2857



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2857

Introduced 1/19/2024, by Sen. Ann Gillespie

SYNOPSIS AS INTRODUCED:

See Index

Amends the Property Tax Code. Provides that certain property may be certified by the Department of Commerce and Economic Opportunity as containing a megaproject. Provides that a "megaproject" is a project that meets certain investment and job creation specifications. Provides that the megaproject property is eligible for an assessment freeze. Provides that megaproject property may be granted an abatement. Provides that a company that operates a megaproject shall enter into an agreement with the municipality in which the project is located and other local taxing districts to make certain special payments. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that qualified tangible personal property used in the construction or development of a megaproject is exempt from the taxes imposed under those Acts. Effective June 1, 2024.

LRB103 36897 HLH 67010 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) Except as otherwise provided in this Act, personal
12 property purchased by a governmental body, by a corporation,
13 society, association, foundation, or institution organized and
14 operated exclusively for charitable, religious, or educational
15 purposes, or by a not-for-profit corporation, society,
16 association, foundation, institution, or organization that has
17 no compensated officers or employees and that is organized and
18 operated primarily for the recreation of persons 55 years of
19 age or older. A limited liability company may qualify for the
20 exemption under this paragraph only if the limited liability
21 company is organized and operated exclusively for educational
22 purposes. On and after July 1, 1987, however, no entity
23 otherwise eligible for this exemption shall make tax-free
24 purchases unless it has an active exemption identification
25 number issued by the Department.

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of
2 the car is subject to the Replacement Vehicle Tax.

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

16 (7) Farm chemicals.

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

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

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

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

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

1 such equipment.

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

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

12 This item (11) is exempt from the provisions of Section
13 3-90.

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

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

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

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

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

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

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

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

26 (21) Horses, or interests in horses, registered with and

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

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

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

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

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

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

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

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

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

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

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

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

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

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

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

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

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

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

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

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property by persons who modify, refurbish,
23 complete, repair, replace, or maintain aircraft and who (i)
24 hold an Air Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation
2 Regulations. From January 1, 2024 through December 31, 2029,
3 this exemption applies only to the use of qualifying tangible
4 personal property by: (A) persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations; and (B) persons who engage in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants without regard to whether or not those persons
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a
15 commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part
17 129 of the Federal Aviation Regulations. The changes made to
18 this paragraph (35) by Public Act 98-534 are declarative of
19 existing law. It is the intent of the General Assembly that the
20 exemption under this paragraph (35) applies continuously from
21 January 1, 2010 through December 31, 2024; however, no claim
22 for credit or refund is allowed for taxes paid as a result of
23 the disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of Public Act
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall, but
4 only if the legal title to the municipal convention hall is
5 transferred to the municipality without any further
6 consideration by or on behalf of the municipality at the time
7 of the completion of the municipal convention hall or upon the
8 retirement or redemption of any bonds or other debt
9 instruments issued by the public-facilities corporation in
10 connection with the development of the municipal convention
11 hall. This exemption includes existing public-facilities
12 corporations as provided in Section 11-65-25 of the Illinois
13 Municipal Code. This paragraph is exempt from the provisions
14 of Section 3-90.

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

17 (38) Merchandise that is subject to the Rental Purchase
18 Agreement Occupation and Use Tax. The purchaser must certify
19 that the item is purchased to be rented subject to a
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
22 proof of registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from the
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser
26 who is exempt from the tax imposed by this Act by operation of

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

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

17 The Department of Commerce and Economic Opportunity shall
18 grant a certificate of exemption under this item (40) to
19 qualified data centers as defined by Section 605-1025 of the
20 Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house working
25 servers in one physical location or multiple sites within
26 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; cabinets;
7 telecommunications cabling infrastructure; raised floor
8 systems; peripheral components or systems; software;
9 mechanical, electrical, or plumbing systems; battery
10 systems; cooling systems and towers; temperature control
11 systems; other cabling; and other data center
12 infrastructure equipment and systems necessary to operate
13 qualified tangible personal property, including fixtures;
14 and component parts of any of the foregoing, including
15 installation, maintenance, repair, refurbishment, and
16 replacement of qualified tangible personal property to
17 generate, transform, transmit, distribute, or manage
18 electricity necessary to operate qualified tangible
19 personal property; and all other tangible personal
20 property that is essential to the operations of a computer
21 data center. The term "qualified tangible personal
22 property" also includes building materials physically
23 incorporated into ~~in to~~ the qualifying data center. To
24 document the exemption allowed under this Section, the
25 retailer must obtain from the purchaser a copy of the
26 certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

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

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

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

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

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

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

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

20 (42) Tangible personal property sold by or on behalf of
21 the State Treasurer pursuant to the Revised Uniform Unclaimed
22 Property Act. This item (42) is exempt from the provisions of
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal
25 property purchased by an active duty member of the armed
26 forces of the United States who presents valid military

1 identification and purchases the property using a form of
2 payment where the federal government is the payor. The member
3 of the armed forces must complete, at the point of sale, a form
4 prescribed by the Department of Revenue documenting that the
5 transaction is eligible for the exemption under this
6 paragraph. Retailers must keep the form as documentation of
7 the exemption in their records for a period of not less than 6
8 years. "Armed forces of the United States" means the United
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Qualified tangible personal property that is (i) used
12 in the construction or development of a megaproject for which
13 a certificate has been issued prior to December 31, 2030 by the
14 Department of Commerce and Economic Opportunity under Division
15 22 of Article 10 of the Property Tax Code and (ii) purchased
16 prior to the Department's issuance of the megaproject
17 certificate or during the investment period, whether that
18 tangible personal property is purchased by the owner,
19 operator, or tenant of the megaproject or by a contractor or
20 subcontractor of the owner, operator, or tenant.

21 As used in this item (44):

22 "Facility" means a building or series of buildings.

23 "Investment period" means the period ending 7 years after
24 the date on which the Department of Commerce and Economic
25 Opportunity issues the megaproject certificate, or such other
26 longer period of time as the local municipality, local taxing

1 districts, and the company may agree to, not to exceed an
2 initial period of 10 years.

3 "Megaproject" means a facility that is rehabilitated or
4 constructed as described in Division 22 of Article 10 of the
5 Property Tax Code.

6 "Qualified tangible personal property" means all tangible
7 personal property that is essential to the construction or
8 development of a megaproject, including, but not limited to:
9 electrical systems and equipment; climate control and chilling
10 equipment and systems; mechanical systems and equipment;
11 monitoring and secure systems; emergency generators; hardware;
12 computers; servers; data storage devices; network connectivity
13 equipment; racks; cabinets; telecommunications cabling
14 infrastructure; raised floor systems; peripheral components or
15 systems; software; mechanical, electrical, or plumbing
16 systems; battery systems; cooling systems and towers;
17 temperature control systems; other cabling; and other
18 infrastructure, equipment, and systems necessary to operate
19 qualified tangible personal property, including fixtures; and
20 component parts of those items, including installation,
21 maintenance, repair, refurbishment, and replacement of
22 qualified tangible personal property to generate, transform,
23 transmit, distribute, or manage electricity necessary to
24 operate qualified tangible personal property. The term
25 "qualified tangible personal property" also includes building
26 materials to be incorporated into the megaproject. To document

1 the exemption allowed under this Section, the retailer,
2 contractor, subcontractor, or supplier must obtain from the
3 purchaser a copy of the certificate issued by the Department
4 of Commerce and Economic Opportunity for the megaproject as
5 described and defined in Division 22 of Article 10 of the
6 Property Tax Code.

7 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
8 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,
9 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
10 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
11 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
12 revised 12-12-23.)

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, 2029, 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. However, until January 1, 2024, this
21 exemption excludes any materials, parts, equipment,
22 components, and consumable supplies used in the modification,
23 replacement, repair, and maintenance of aircraft engines or
24 power plants, whether such engines or power plants are
25 installed or uninstalled upon any such aircraft. "Consumable
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through December
4 31, 2023, this exemption applies only to the use of qualifying
5 tangible personal property transferred incident to the
6 modification, refurbishment, completion, replacement, repair,
7 or maintenance of aircraft by persons who (i) hold an Air
8 Agency Certificate and are empowered to operate an approved
9 repair station by the Federal Aviation Administration, (ii)
10 have a Class IV Rating, and (iii) conduct operations in
11 accordance with Part 145 of the Federal Aviation Regulations.
12 From January 1, 2024 through December 31, 2029, this exemption
13 applies only to the use of qualifying tangible personal
14 property by: (A) persons who modify, refurbish, complete,
15 repair, replace, or maintain aircraft and who (i) hold an Air
16 Agency Certificate and are empowered to operate an approved
17 repair station by the Federal Aviation Administration, (ii)
18 have a Class IV Rating, and (iii) conduct operations in
19 accordance with Part 145 of the Federal Aviation Regulations;
20 and (B) persons who engage in the modification, replacement,
21 repair, and maintenance of aircraft engines or power plants
22 without regard to whether or not those persons meet the
23 qualifications of item (A).

24 The exemption does not include aircraft operated by a
25 commercial air carrier providing scheduled passenger air
26 service pursuant to authority issued under Part 121 or Part

1 129 of the Federal Aviation Regulations. The changes made to
2 this paragraph (27) by Public Act 98-534 are declarative of
3 existing law. It is the intent of the General Assembly that the
4 exemption under this paragraph (27) applies continuously from
5 January 1, 2010 through December 31, 2024; however, no claim
6 for credit or refund is allowed for taxes paid as a result of
7 the disallowance of this exemption on or after January 1, 2015
8 and prior to February 5, 2020 (the effective date of Public Act
9 101-629).

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

25 (29) Beginning January 1, 2017 and through December 31,
26 2026, menstrual pads, tampons, and menstrual cups.

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

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

19 The Department of Commerce and Economic Opportunity shall
20 grant a certificate of exemption under this item (31) to
21 qualified data centers as defined by Section 605-1025 of the
22 Department of Commerce and Economic Opportunity Law of the
23 Civil Administrative Code of Illinois.

24 For the purposes of this item (31):

25 "Data center" means a building or a series of
26 buildings rehabilitated or constructed to house working

1 servers in one physical location or multiple sites within
2 the State of Illinois.

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

1 retailer must obtain from the purchaser a copy of the
2 certificate of eligibility issued by the Department of
3 Commerce and Economic Opportunity.

4 This item (31) is exempt from the provisions of Section
5 3-75.

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

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

17 "Breast pump collection and storage supplies" means
18 items of tangible personal property designed or marketed
19 to be used in conjunction with a breast pump to collect
20 milk expressed from a human breast and to store collected
21 milk until it is ready for consumption.

22 "Breast pump collection and storage supplies"
23 includes, but is not limited to: breast shields and breast
24 shield connectors; breast pump tubes and tubing adapters;
25 breast pump valves and membranes; backflow protectors and
26 backflow protector adaptors; bottles and bottle caps

1 specific to the operation of the breast pump; and breast
2 milk storage bags.

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

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

22 (33) Tangible personal property sold by or on behalf of
23 the State Treasurer pursuant to the Revised Uniform Unclaimed
24 Property Act. This item (33) is exempt from the provisions of
25 Section 3-75.

26 (34) Beginning on January 1, 2024, tangible personal

1 property purchased by an active duty member of the armed
2 forces of the United States who presents valid military
3 identification and purchases the property using a form of
4 payment where the federal government is the payor. The member
5 of the armed forces must complete, at the point of sale, a form
6 prescribed by the Department of Revenue documenting that the
7 transaction is eligible for the exemption under this
8 paragraph. Retailers must keep the form as documentation of
9 the exemption in their records for a period of not less than 6
10 years. "Armed forces of the United States" means the United
11 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
12 This paragraph is exempt from the provisions of Section 3-75.

13 (35) Qualified tangible personal property that is (i) used
14 in the construction or development of a megaproject for which
15 a certificate has been issued prior to December 31, 2030 by the
16 Department of Commerce and Economic Opportunity under Division
17 22 of Article 10 of the Property Tax Code and (ii) purchased
18 prior to the Department's issuance of the megaproject
19 certificate or during the investment period, whether that
20 tangible personal property is purchased by the owner,
21 operator, or tenant of the megaproject or by a contractor or
22 subcontractor of the owner, operator, or tenant.

23 As used in this item (35):

24 "Facility" means a building or series of buildings.

25 "Investment period" means the period ending 7 years after
26 the date on which the Department of Commerce and Economic

1 Opportunity issues the megaproject certificate, or such other
2 longer period of time as the local municipality, local taxing
3 districts, and the company may agree to, not to exceed an
4 initial period of 10 years.

5 "Megaproject" means a facility that is rehabilitated or
6 constructed as described in Division 22 of Article 10 of the
7 Property Tax Code.

8 "Qualified tangible personal property" means all tangible
9 personal property that is essential to the construction or
10 development of a megaproject, including, but not limited to:
11 electrical systems and equipment; climate control and chilling
12 equipment and systems; mechanical systems and equipment;
13 monitoring and secure systems; emergency generators; hardware;
14 computers; servers; data storage devices; network connectivity
15 equipment; racks; cabinets; telecommunications cabling
16 infrastructure; raised floor systems; peripheral components or
17 systems; software; mechanical, electrical, or plumbing
18 systems; battery systems; cooling systems and towers;
19 temperature control systems; other cabling; and other
20 infrastructure, equipment, and systems necessary to operate
21 qualified tangible personal property, including fixtures; and
22 component parts of those items, including installation,
23 maintenance, repair, refurbishment, and replacement of
24 qualified tangible personal property to generate, transform,
25 transmit, distribute, or manage electricity necessary to
26 operate qualified tangible personal property. The term

1 "qualified tangible personal property" also includes building
2 materials to be incorporated into the megaproject. To document
3 the exemption allowed under this Section, the retailer,
4 contractor, subcontractor, or supplier must obtain from the
5 purchaser a copy of the certificate issued by the Department
6 of Commerce and Economic Opportunity for the megaproject as
7 described and defined in Division 22 of Article 10 of the
8 Property Tax Code.

9 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
10 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
11 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
12 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
13 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
14 revised 12-12-23.)

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

17 (35 ILCS 115/3-5)

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

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

1 property was not purchased by the enterprise for the purpose
2 of resale by the enterprise.

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

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

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

25 (5) Until July 1, 2003 and beginning again on September 1,
26 2004 through August 30, 2014, graphic arts machinery and

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

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

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

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

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

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

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

25 This item (7) is exempt from the provisions of Section
26 3-55.

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

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

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

26 (10) Until July 1, 2003, oil field exploration, drilling,

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

10 (11) Photoprocessing machinery and equipment, including
11 repair and replacement parts, both new and used, including
12 that manufactured on special order, certified by the purchaser
13 to be used primarily for photoprocessing, and including
14 photoprocessing machinery and 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) Beginning January 1, 1992 and through June 30, 2016,

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

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

15 (15) Horses, or interests in horses, registered with and
16 meeting the requirements of any of the Arabian Horse Club
17 Registry of America, Appaloosa Horse Club, American Quarter
18 Horse Association, United States Trotting Association, or
19 Jockey Club, as appropriate, used for purposes of breeding or
20 racing for prizes. This item (15) is exempt from the
21 provisions of Section 3-55, and the exemption provided for
22 under this item (15) applies for all periods beginning May 30,
23 1995, but no claim for credit or refund is allowed on or after
24 January 1, 2008 (the effective date of Public Act 95-88) for
25 such taxes paid during the period beginning May 30, 2000 and
26 ending on January 1, 2008 (the effective date of Public Act

1 95-88).

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

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

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 donated
19 for disaster relief to be used in a State or federally declared
20 disaster area in Illinois or bordering Illinois by a
21 manufacturer or retailer that is registered in this State to a
22 corporation, society, association, foundation, or institution
23 that has been issued a sales tax exemption identification
24 number by the Department that assists victims of the disaster
25 who reside within the declared disaster area.

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

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

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

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

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

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

24 (23) Beginning January 1, 2000 and through December 31,
25 2001, new or used automatic vending machines that prepare and
26 serve hot food and beverages, including coffee, soup, and

1 other items, and replacement parts for these machines.
2 Beginning January 1, 2002 and through June 30, 2003, machines
3 and parts for machines used in commercial, coin-operated
4 amusement and vending business if a use or occupation tax is
5 paid on the gross receipts derived from the use of the
6 commercial, coin-operated amusement and vending machines. This
7 paragraph is exempt from the provisions of Section 3-55.

8 (24) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients sold to
12 a lessor who leases the equipment, under a lease of one year or
13 longer executed or in effect at the time of the purchase, to a
14 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. This paragraph is exempt
17 from the provisions of Section 3-55.

18 (25) Beginning on August 2, 2001 (the effective date of
19 Public Act 92-227), personal property sold to a lessor who
20 leases the property, under a lease of one year or longer
21 executed or in effect at the time of the purchase, to a
22 governmental body that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. This paragraph is exempt
25 from the provisions of Section 3-55.

26 (26) Beginning on January 1, 2002 and through June 30,

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

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

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-55.

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

19 (29) Beginning January 1, 2010 and continuing through
20 December 31, 2029, materials, parts, equipment, components,
21 and furnishings incorporated into or upon an aircraft as part
22 of the modification, refurbishment, completion, replacement,
23 repair, or maintenance of the aircraft. This exemption
24 includes consumable supplies used in the modification,
25 refurbishment, completion, replacement, repair, and
26 maintenance of aircraft. However, until January 1, 2024, this

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

9 Beginning January 1, 2010 and continuing through December
10 31, 2023, this exemption applies only to the transfer of
11 qualifying tangible personal property incident to the
12 modification, refurbishment, completion, replacement, repair,
13 or maintenance of an aircraft by persons who (i) hold an Air
14 Agency Certificate and are empowered to operate an approved
15 repair station by the Federal Aviation Administration, (ii)
16 have a Class IV Rating, and (iii) conduct operations in
17 accordance with Part 145 of the Federal Aviation Regulations.
18 The exemption does not include aircraft operated by a
19 commercial air carrier providing scheduled passenger air
20 service pursuant to authority issued under Part 121 or Part
21 129 of the Federal Aviation Regulations. From January 1, 2024
22 through December 31, 2029, this exemption applies only to the
23 use of qualifying tangible personal property by: (A) persons
24 who modify, refurbish, complete, repair, replace, or maintain
25 aircraft and who (i) hold an Air Agency Certificate and are
26 empowered to operate an approved repair station by the Federal

1 Aviation Administration, (ii) have a Class IV Rating, and
2 (iii) conduct operations in accordance with Part 145 of the
3 Federal Aviation Regulations; and (B) persons who engage in
4 the modification, replacement, repair, and maintenance of
5 aircraft engines or power plants without regard to whether or
6 not those persons meet the qualifications of item (A).

7 The changes made to this paragraph (29) by Public Act
8 98-534 are declarative of existing law. It is the intent of the
9 General Assembly that the exemption under this paragraph (29)
10 applies continuously from January 1, 2010 through December 31,
11 2024; however, no claim for credit or refund is allowed for
12 taxes paid as a result of the disallowance of this exemption on
13 or after January 1, 2015 and prior to February 5, 2020 (the
14 effective date of Public Act 101-629).

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

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

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

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

8 The Department of Commerce and Economic Opportunity shall
9 grant a certificate of exemption under this item (32) to
10 qualified data centers as defined by Section 605-1025 of the
11 Department of Commerce and Economic Opportunity Law of the
12 Civil Administrative Code of Illinois.

13 For the purposes of this item (32):

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

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

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

19 This item (32) is exempt from the provisions of Section
20 3-55.

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

25 "Breast pump" means an electrically controlled or
26 manually controlled pump device designed or marketed to be

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

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

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

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

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

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

11 (34) Tangible personal property sold by or on behalf of
12 the State Treasurer pursuant to the Revised Uniform Unclaimed
13 Property Act. This item (34) is exempt from the provisions of
14 Section 3-55.

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

1 This paragraph is exempt from the provisions of Section 3-55.

2 (36) Qualified tangible personal property that is (i) used
3 in the construction or development of a megaproject for which
4 a certificate has been issued prior to December 31, 2030 by the
5 Department of Commerce and Economic Opportunity under Division
6 22 of Article 10 of the Property Tax Code and (ii) purchased
7 prior to the Department's issuance of the megaproject
8 certificate or during the investment period, whether that
9 tangible personal property is purchased by the owner,
10 operator, or tenant of the megaproject or by a contractor or
11 subcontractor of the owner, operator, or tenant.

12 As used in this item (36):

13 "Facility" means a building or series of buildings.

14 "Investment period" means the period ending 7 years after
15 the date on which the Department of Commerce and Economic
16 Opportunity issues the megaproject certificate, or such other
17 longer period of time as the local municipality, local taxing
18 districts, and the company may agree to, not to exceed an
19 initial period of 10 years.

20 "Megaproject" means a facility that is rehabilitated or
21 constructed as described in Division 22 of Article 10 of the
22 Property Tax Code.

23 "Qualified tangible personal property" means all tangible
24 personal property that is essential to the construction or
25 development of a megaproject, including, but not limited to:
26 electrical systems and equipment; climate control and chilling

1 equipment and systems; mechanical systems and equipment;
2 monitoring and secure systems; emergency generators; hardware;
3 computers; servers; data storage devices; network connectivity
4 equipment; racks; cabinets; telecommunications cabling
5 infrastructure; raised floor systems; peripheral components or
6 systems; software; mechanical, electrical, or plumbing
7 systems; battery systems; cooling systems and towers;
8 temperature control systems; other cabling; and other
9 infrastructure, equipment, and systems necessary to operate
10 qualified tangible personal property, including fixtures; and
11 component parts of those items, including installation,
12 maintenance, repair, refurbishment, and replacement of
13 qualified tangible personal property to generate, transform,
14 transmit, distribute, or manage electricity necessary to
15 operate qualified tangible personal property. The term
16 "qualified tangible personal property" also includes building
17 materials to be incorporated into the megaproject. To document
18 the exemption allowed under this Section, the retailer,
19 contractor, subcontractor, or supplier must obtain from the
20 purchaser a copy of the certificate issued by the Department
21 of Commerce and Economic Opportunity for the megaproject as
22 described and defined in Division 22 of Article 10 of the
23 Property Tax Code.

24 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
25 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
26 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,

1 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
2 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
3 revised 12-12-23.)

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

6 (35 ILCS 120/2-5)

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

10 (1) Farm chemicals.

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

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

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

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

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

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

1 2-70.

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

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

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

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

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

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

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

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

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

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

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

21 (12) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (25-7) Beginning on July 1, 2007, no tax is imposed
17 under this Act on the sale of an aircraft, as defined in
18 Section 3 of the Illinois Aeronautics Act, if all of the
19 following conditions are met:

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

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

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

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

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

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

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

1 (26) Semen used for artificial insemination of
2 livestock for direct agricultural production.

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

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

25 (29) Personal property sold to a lessor who leases the
26 property, under a lease of one year or longer executed or

1 in effect at the time of the purchase, to a governmental
2 body that has been issued an active tax exemption
3 identification number by the Department under Section 1g
4 of this Act.

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

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

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

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

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

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

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

1 (35-5) Beginning August 23, 2001 and through June 30,
2 2016, food for human consumption that is to be consumed
3 off the premises where it is sold (other than alcoholic
4 beverages, soft drinks, and food that has been prepared
5 for immediate consumption) and prescription and
6 nonprescription medicines, drugs, medical appliances, and
7 insulin, urine testing materials, syringes, and needles
8 used by diabetics, for human use, when purchased for use
9 by a person receiving medical assistance under Article V
10 of the Illinois Public Aid Code who resides in a licensed
11 long-term care facility, as defined in the Nursing Home
12 Care Act, or a licensed facility as defined in the ID/DD
13 Community Care Act, the MC/DD Act, or the Specialized
14 Mental Health Rehabilitation Act of 2013.

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

25 (37) Beginning August 2, 2001, personal property sold
26 to a lessor who leases the property, under a lease of one

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

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

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

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

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

1 sandpaper, general purpose lubricants, cleaning solution,
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through
4 December 31, 2023, this exemption applies only to the sale
5 of qualifying tangible personal property to persons who
6 modify, refurbish, complete, replace, or maintain an
7 aircraft and who (i) hold an Air Agency Certificate and
8 are empowered to operate an approved repair station by the
9 Federal Aviation Administration, (ii) have a Class IV
10 Rating, and (iii) conduct operations in accordance with
11 Part 145 of the Federal Aviation Regulations. The
12 exemption does not include aircraft operated by a
13 commercial air carrier providing scheduled passenger air
14 service pursuant to authority issued under Part 121 or
15 Part 129 of the Federal Aviation Regulations. From January
16 1, 2024 through December 31, 2029, this exemption applies
17 only to the use of qualifying tangible personal property
18 by: (A) persons who modify, refurbish, complete, repair,
19 replace, or maintain aircraft and who (i) hold an Air
20 Agency Certificate and are empowered to operate an
21 approved repair station by the Federal Aviation
22 Administration, (ii) have a Class IV Rating, and (iii)
23 conduct operations in accordance with Part 145 of the
24 Federal Aviation Regulations; and (B) persons who engage
25 in the modification, replacement, repair, and maintenance
26 of aircraft engines or power plants without regard to

1 whether or not those persons meet the qualifications of
2 item (A).

3 The changes made to this paragraph (40) by Public Act
4 98-534 are declarative of existing law. It is the intent
5 of the General Assembly that the exemption under this
6 paragraph (40) applies continuously from January 1, 2010
7 through December 31, 2024; however, no claim for credit or
8 refund is allowed for taxes paid as a result of the
9 disallowance of this exemption on or after January 1, 2015
10 and prior to February 5, 2020 (the effective date of
11 Public Act 101-629).

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

1 (42) Beginning January 1, 2017 and through December
2 31, 2026, menstrual pads, tampons, and menstrual cups.

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

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

26 The Department of Commerce and Economic Opportunity

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

6 For the purposes of this item (44):

7 "Data center" means a building or a series of
8 buildings rehabilitated or constructed to house
9 working servers in one physical location or multiple
10 sites within 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;
17 cabinets; telecommunications cabling infrastructure;
18 raised floor systems; peripheral components or
19 systems; software; mechanical, electrical, or plumbing
20 systems; battery systems; cooling systems and towers;
21 temperature control systems; other cabling; and other
22 data center infrastructure equipment and systems
23 necessary to operate qualified tangible personal
24 property, including fixtures; and component parts of
25 any of the foregoing, including installation,
26 maintenance, repair, refurbishment, and replacement of

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

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

15 (45) Beginning January 1, 2020 and through December
16 31, 2020, sales of tangible personal property made by a
17 marketplace seller over a marketplace for which tax is due
18 under this Act but for which use tax has been collected and
19 remitted to the Department by a marketplace facilitator
20 under Section 2d of the Use Tax Act are exempt from tax
21 under this Act. A marketplace seller claiming this
22 exemption shall maintain books and records demonstrating
23 that the use tax on such sales has been collected and
24 remitted by a marketplace facilitator. Marketplace sellers
25 that have properly remitted tax under this Act on such
26 sales may file a claim for credit as provided in Section 6

1 of this Act. No claim is allowed, however, for such taxes
2 for which a credit or refund has been issued to the
3 marketplace facilitator under the Use Tax Act, or for
4 which the marketplace facilitator has filed a claim for
5 credit or refund under the Use Tax Act.

6 (46) Beginning July 1, 2022, breast pumps, breast pump
7 collection and storage supplies, and breast pump kits.
8 This item (46) is exempt from the provisions of Section
9 2-70. As used in this item (46):

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

17 "Breast pump collection and storage supplies" means
18 items of tangible personal property designed or marketed
19 to be used in conjunction with a breast pump to collect
20 milk expressed from a human breast and to store collected
21 milk until it is ready for consumption.

22 "Breast pump collection and storage supplies"
23 includes, but is not limited to: breast shields and breast
24 shield connectors; breast pump tubes and tubing adapters;
25 breast pump valves and membranes; backflow protectors and
26 backflow protector adaptors; bottles and bottle caps

1 specific to the operation of the breast pump; and breast
2 milk storage bags.

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

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

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

26 (48) Beginning on January 1, 2024, tangible personal

1 property purchased by an active duty member of the armed
2 forces of the United States who presents valid military
3 identification and purchases the property using a form of
4 payment where the federal government is the payor. The
5 member of the armed forces must complete, at the point of
6 sale, a form prescribed by the Department of Revenue
7 documenting that the transaction is eligible for the
8 exemption under this paragraph. Retailers must keep the
9 form as documentation of the exemption in their records
10 for a period of not less than 6 years. "Armed forces of the
11 United States" means the United States Army, Navy, Air
12 Force, Marine Corps, or Coast Guard. This paragraph is
13 exempt from the provisions of Section 2-70.

14 (49) Qualified tangible personal property that is (i)
15 used in the construction or development of a megaproject
16 for which a certificate has been issued prior to December
17 31, 2030 by the Department of Commerce and Economic
18 Opportunity under Division 22 of Article 10 of the
19 Property Tax Code and (ii) purchased prior to the
20 Department's issuance of the megaproject certificate or
21 during the investment period, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the megaproject or by a contractor or
24 subcontractor of the owner, operator, or tenant.

25 As used in this item (49):

26 "Facility" means a building or series of buildings.

1 "Investment period" means the period ending 7 years
2 after the date on which the Department of Commerce and
3 Economic Opportunity issues the megaproject certificate,
4 or such other longer period of time as the local
5 municipality, local taxing districts, and the company may
6 agree to, not to exceed an initial period of 10 years.

7 "Megaproject" means a facility that is rehabilitated
8 or constructed as described in Division 22 of Article 10
9 of the Property Tax Code.

10 "Qualified tangible personal property" means all
11 tangible personal property that is essential to the
12 construction or development of a megaproject, including,
13 but not limited to: electrical systems and equipment;
14 climate control and chilling equipment and systems;
15 mechanical systems and equipment; monitoring and secure
16 systems; emergency generators; hardware; computers;
17 servers; data storage devices; network connectivity
18 equipment; racks; cabinets; telecommunications cabling
19 infrastructure; raised floor systems; peripheral
20 components or systems; software; mechanical, electrical,
21 or plumbing systems; battery systems; cooling systems and
22 towers; temperature control systems; other cabling; and
23 other infrastructure, equipment, and systems necessary to
24 operate qualified tangible personal property, including
25 fixtures; and component parts of those items, including
26 installation, maintenance, repair, refurbishment, and

1 replacement of qualified tangible personal property to
2 generate, transform, transmit, distribute, or manage
3 electricity necessary to operate qualified tangible
4 personal property. The term "qualified tangible personal
5 property" also includes building materials to be
6 incorporated into the megaproject. To document the
7 exemption allowed under this Section, the retailer,
8 contractor, subcontractor, or supplier must obtain from
9 the purchaser a copy of the certificate issued by the
10 Department of Commerce and Economic Opportunity for the
11 megaproject as described and defined in Division 22 of
12 Article 10 of the Property Tax Code.

13 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
14 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
15 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
16 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
17 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
18 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
19 12-12-23.)

20 Section 25. The Property Tax Code is amended by adding
21 Division 22 to Article 10 as follows:

22 (35 ILCS 200/Art. 10 Div. 22 heading new)

23 Division 22. Megaprojects

1 (35 ILCS 200/10-910 new)

2 Sec. 10-910. Megaproject Assessment Freeze and Payment
3 Law; definitions. This Division 22 may be cited as the
4 Megaproject Assessment Freeze and Payment Law.

5 As used in this Division:

6 "Assessment officer" means the chief county assessment
7 officer of the county in which the megaproject is located.

8 "Assessment period" means the period beginning on the
9 first day of the calendar year after the calendar year in which
10 a megaproject is placed in service and ending on the date when
11 the megaproject no longer qualifies as a megaproject under
12 this Division.

13 "Base tax year" means the tax year prior to the first
14 calendar year during which the Department issues a megaproject
15 certificate under this Division.

16 "Base year" means:

17 (1) the calendar year prior to the calendar year in
18 which the Department issues the megaproject certificate,
19 if the Department issues a megaproject certificate for a
20 project located on the property without granting
21 preliminary approval for the project pursuant to Section
22 10-940; or

23 (2) the calendar year prior to the calendar year in
24 which the Department grants that preliminary approval, if
25 the Department grants preliminary approval pursuant to
26 Section 10-940 for a megaproject located on the property.

1 "Base year valuation" means the assessed value, in the
2 base year, of the property comprising the megaproject.

3 "Company" means one or more entities whose aggregate
4 investment in the megaproject meets the minimum investment
5 required under this Division. The term "company" includes a
6 company affiliate unless the context clearly indicates
7 otherwise.

8 "Company affiliate" means an entity that joins with or is
9 an affiliate of a company and that participates in the
10 investment in, or financing of, a megaproject.

11 "Consumer Price Index" means the index published by the
12 Bureau of Labor Statistics of the United States Department of
13 Labor that measures the average change in prices of goods and
14 services purchased by all urban consumers, United States city
15 average, all items, 1982-84 = 100.

16 "Department" means the Department of Commerce and Economic
17 Opportunity.

18 "Eligible costs" means all costs incurred by or on behalf
19 of, or allocated to, a company, prior to the Department's
20 issuance of the megaproject certificate or during the
21 investment period, to create or construct a megaproject.

22 "Eligible costs" includes, without limitation:

23 (1) the purchase, site preparation, renovation,
24 rehabilitation, and construction of land, buildings,
25 structures, equipment, and furnishings used for or in the
26 megaproject;

1 (2) any goods or services for the megaproject that are
2 purchased and capitalized under generally accepted
3 accounting principles, including any organizational costs
4 and research and development costs incurred in Illinois;

5 (3) capitalized lease costs for land, buildings,
6 structures, and equipment valued at their present value
7 using the interest rate at which the company borrows funds
8 prevailing at the time the company entered into the lease;

9 (4) infrastructure development costs;

10 (5) debt service and project financing costs;

11 (6) noncapitalized research and development costs;

12 (7) job training and education costs;

13 (8) lease and relocation costs; and

14 (9) amounts expended by a company or company affiliate
15 as a nonresponsible party pursuant to a voluntary program
16 of site remediation, including amounts expended to obtain
17 a certification of completion, if completion of
18 remediation is certified by the Illinois Environmental
19 Protection Agency.

20 "Entity" means a sole proprietor, partnership, firm,
21 corporation, limited liability company, association, or other
22 business enterprise.

23 "Full-time employee" means an individual who is employed
24 for consideration for at least 35 hours each week or who
25 renders any other standard of service generally accepted by
26 industry custom or practice as a full-time employee. An

1 individual for whom a W-2 is issued by a professional employer
2 organization is a full-time employee if he or she is employed
3 in the service of the applicant for at least 35 hours each week
4 or renders any other standard of service generally accepted by
5 industry custom or practice as a full-time employment. An
6 owner, operator, or tenant who employs labor or services at a
7 specific site or facility under contract with another may
8 declare one full-time job for every 1,820 man-hours worked per
9 year under the contract. Vacations, paid holidays, and sick
10 time are included in this computation, but overtime is not
11 considered a part of regular hours.

12 "Incentive agreement" means an agreement between a
13 company, a local municipality, and the local taxing districts
14 obligating the company to make the special payment under this
15 Division, in addition to paying property taxes, during the
16 incentive period for a megaproject.

17 "Incentive period" means the period beginning on the first
18 day of the calendar year after the calendar year in which the
19 megaproject is placed in service and each calendar year
20 thereafter until the earlier of (i) the expiration or
21 termination of the incentive agreement or (ii) the revocation
22 of the megaproject certificate.

23 "Inducement resolution" means a resolution adopted by the
24 local municipality setting forth the commitment of the local
25 municipality to enter into an incentive agreement.

26 "Investment period" means the period ending 7 years after

1 the date on which the Department issues the megaproject
2 certificate, or such other longer period of time as the local
3 municipality, the local taxing districts, and the company may
4 agree to, not to exceed an initial period of 10 years.

5 "Local municipality" means the city, village, or
6 incorporated town in which the megaproject is located or, if
7 the megaproject is located in an unincorporated area, the
8 county in which the megaproject is located.

9 "Local taxing district means a taxing district that levies
10 taxes totaling 10% or more of the total property tax bill for
11 the property on which the megaproject is located.

12 "Megaproject" means a project that satisfies the minimum
13 investment and other requirements of this Division.

14 "Megaproject certificate" means a certificate issued by
15 the Department that authorizes an assessment freeze as
16 provided in this Division.

17 "Minimum investment" means an investment in the
18 megaproject of at least \$100,000,000 in eligible costs within
19 the investment period.

20 "Minority person" means a person who is a citizen or
21 lawful permanent resident of the United States and who is any
22 of the following:

23 (1) American Indian or Alaska Native (a person having
24 origins in any of the original peoples of North and South
25 America, including Central America, and who maintains
26 tribal affiliation or community attachment).

1 (2) Asian (a person having origins in any of the
2 original peoples of the Far East, Southeast Asia, or the
3 Indian subcontinent, including, but not limited to,
4 Cambodia, China, India, Japan, Korea, Malaysia, Pakistan,
5 the Philippine Islands, Thailand, and Vietnam).

6 (3) Black or African American (a person having origins
7 in any of the black racial groups of Africa).

8 (4) Hispanic or Latino (a person of Cuban, Mexican,
9 Puerto Rican, South or Central American, or other Spanish
10 culture or origin, regardless of race).

11 (5) Native Hawaiian or Other Pacific Islander (a
12 person having origins in any of the original peoples of
13 Hawaii, Guam, Samoa, or other Pacific Islands).

14 "Minority-owned business" means a business that is at
15 least 51% owned by one or more minority persons, or that, in
16 the case of a corporation, has at least 51% of its stock owned
17 by one or more minority persons, and that, in either case, is
18 managed and operated on a daily basis by one or more of the
19 minority individuals who own the business.

20 "New full-time employee" means a full-time employee who
21 first became employed by the owner, operator, contractor, or
22 tenant of the megaproject during the incentive period or
23 investment period and whose hiring results in a net increase
24 in the owner, operator, contractor, or tenant's total number
25 of full-time Illinois employees.

26 "New full-time employee" does not include:

1 (1) a person who was previously employed in Illinois
2 by the applicant or a related family member prior to the
3 onset of the investment or incentive period; or

4 (2) an individual who has a direct or indirect
5 ownership interest of at least 5% in the profits, capital,
6 or value of the applicant.

7 "Placed in service" means that the company has commenced
8 its business operations at the megaproject site and has met
9 its job creation requirements under this Section by hiring or
10 causing to be hired at least 100 new full-time employees who
11 provide support to the megaproject's business operations and
12 work in the State of Illinois. If a company pauses or shuts
13 down its business operations for a period of more than 30 days,
14 then the megaproject shall no longer be considered placed in
15 service.

16 "Project" means land, buildings, and other improvements on
17 the land, including water facilities, sewage treatment and
18 disposal facilities, air pollution control facilities, and all
19 other machinery, apparatuses, equipment, office facilities,
20 related infrastructure, and furnishings that are considered
21 necessary, suitable, or useful by a company and comprise the
22 megaproject, including all such property subject to assessment
23 under the Property Tax Code.

24 "Special payment" means the annual amount paid in addition
25 to property taxes paid during the incentive period as provided
26 in the incentive agreement.

1 "Sports stadium" means a facility, stadium, arena, or
2 other structure where athletic contests are held and sports
3 teams practice and perform.

4 "Taxing district" has the meaning set forth in Section
5 1-150.

6 "Termination date" means the last day of a calendar year
7 that is no later than the 23rd year following the first
8 calendar year in which a megaproject is placed in service. A
9 company may apply to the local municipality and local taxing
10 districts prior to the termination date for an extension of
11 the termination date beyond the 23rd year for up to 17
12 additional years, for a total of 40 years. The corporate
13 authorities of the local municipality and the local taxing
14 districts shall approve an extension by resolution upon a
15 finding of substantial public benefit. A copy of the
16 resolution must be delivered to the Department within 30 days
17 of the date the resolution was adopted. If the incentive
18 agreement is terminated under Section 10-937, then the
19 termination date is the date the agreement is terminated.

20 (35 ILCS 200/10-915 new)

21 Sec. 10-915. Valuation during incentive period;
22 eligibility.

23 (a) Property certified by the Department as megaproject
24 property pursuant to this Division is eligible for an
25 assessment freeze, as provided in this Division, eliminating

1 from consideration, for assessment purposes during the
2 incentive period, the value added to the property by the
3 project and limiting the total valuation of the property
4 during the incentive period to the base year valuation. If the
5 company does not anticipate completing the project within the
6 investment period, then the local municipality and local
7 taxing districts may approve one or more extensions of time to
8 complete the project. However, the local municipality and
9 local taxing districts may not extend the project for a period
10 that exceeds 5 years after the last day of the investment
11 period. Unless approved as part of the original incentive
12 agreement, the corporate authorities of the local municipality
13 and local taxing districts may approve an extension under this
14 subsection by resolution, a copy of which must be delivered to
15 the Department within 30 days after the date the resolution is
16 adopted.

17 (b) To qualify for a megaproject certificate, the company
18 must:

19 (1) make the minimum investment in the megaproject
20 during the investment period;

21 (2) enter into an incentive agreement with the local
22 municipality and local taxing districts as described in
23 this Division;

24 (3) enter into a project labor agreement with the
25 applicable local building trades council prior to the
26 commencement of any demolition, building construction, or

1 building renovation related to the project;

2 (4) establish the goal of awarding 20% of the total
3 dollar amount of contracts that are related to the project
4 and are awarded by the company during each calendar year
5 to minority-owned businesses; and

6 (5) enter into a memorandum of understanding with the
7 Department committing to the creation of at least 100 new
8 full-time jobs as a result of the megaproject.

9 (c) For purposes of this Division, if a single company
10 enters into a financing arrangement of the type described in
11 subsection (b) of Section 10-950, the investment in or
12 financing of the property by a developer, lessor, financing
13 entity, or other third party in accordance with this
14 arrangement is considered investment by the company.
15 Investment by a related person to the company is considered
16 investment by the company.

17 (35 ILCS 200/10-920 new)

18 Sec. 10-920. Incentive agreement; assessment freeze for
19 megaprojects; incentive period; inducement resolution;
20 location of the project; criteria to qualify.

21 (a) To obtain the benefits provided in this Division, the
22 company shall apply in writing to the local municipality and
23 local taxing districts to enter into an incentive agreement
24 with the municipality and local taxing districts, in the form
25 and manner required by the local municipality and local taxing

1 districts, respectively, and shall certify to the facts
2 asserted in the application.

3 (b) The corporate authorities of the local municipality,
4 prior to entering into an incentive agreement under this
5 Section, shall hold a public hearing to consider the
6 application. The amount and terms of the proposed special
7 payment and the duration of the incentive agreement shall be
8 considered at the public hearing.

9 (c) Copies of the completed application shall be provided
10 to each taxing district for which property taxes were assessed
11 on the property for the immediately preceding tax year. Those
12 copies shall be provided at least 30 days prior to the
13 scheduled public hearing at which the corporate authorities of
14 the local municipality will consider the application.

15 (d) The company, the local municipality, and the local
16 taxing districts shall enter into an incentive agreement
17 requiring the special payment described in Section 10-925. The
18 corporate authorities of the local municipality shall adopt an
19 ordinance approving the incentive agreement.

20 (e) If an incentive agreement is not executed within 5
21 years after the local municipality's adoption of an inducement
22 resolution, expenditures incurred by the company more than 5
23 years prior to the execution of the incentive agreement shall
24 not qualify as part of the minimum investment.

25 (f) To be eligible to enter into an incentive agreement
26 under this Division, the company must commit to a project that

1 meets the minimum investment and new job creation requirements
2 set forth in this Division.

3 (35 ILCS 200/10-925 new)

4 Sec. 10-925. Contents of incentive agreement.

5 (a) The incentive agreement under Section 10-920 must
6 require the company to pay, or be responsible for the payment
7 of, an annual special payment to the local municipality and
8 the local taxing districts, beginning with the first tax year
9 for which the assessment freeze under this Division is applied
10 to the megaproject. The amount of the special payment shall be
11 established by the local municipality and local taxing
12 districts in the incentive agreement and may be a fixed amount
13 for the duration of the incentive period or may be subject to
14 adjustment (downward or upward) based on factors memorialized
15 in the incentive agreement.

16 Unless the special payment is negotiated as a fixed
17 payment for the duration of the incentive period, the parties
18 shall conduct an impact analysis study on the megaproject
19 every 5 years, and the special payment shall be adjusted based
20 on the results of that study; provided, however, the
21 adjustment shall not be less than the initial special payment
22 adjusted for inflation as measured by the Consumer Price
23 Index.

24 The portion of the special payment due to the local school
25 districts shall be increased annually by the lesser of (i) 5%

1 or (ii) the percentage increase, if any, in the Consumer Price
2 Index for the 12 months ending in September of the immediately
3 preceding calendar year, and may be further increased or
4 decreased every 5 years based on the results of the impact
5 analysis study.

6 (b) The incentive agreement shall obligate the company to
7 operate the megaproject at the designated project location for
8 a minimum of 20 years.

9 (c) The incentive agreement may contain such other terms
10 and conditions as are mutually agreeable to the local
11 municipality, the local taxing districts, and the company and
12 are consistent with the requirements of this Division,
13 including, without limitation, operational and additional job
14 creation requirements.

15 (d) In addition, all incentive agreements entered into
16 pursuant to Section 10-920 must include, as the first portion
17 of the document, a recapitulation of the remaining contents of
18 the document, which shall include the following:

19 (1) the legal name of each party to the agreement;

20 (2) the street address of the project and the property
21 subject to the agreement;

22 (3) the agreed minimum investment;

23 (3.5) the agreed number of new jobs to be created;

24 (4) the term of the agreement;

25 (5) a schedule showing the amount of the special
26 payment and its calculation for each year of the

1 agreement;

2 (6) a schedule showing the amount to be distributed
3 annually to each local taxing district, as set forth in
4 the incentive agreement;

5 (7) any other feature or aspect of the agreement which
6 may affect the calculation of items (5) and (6) of this
7 subsection; and

8 (8) the party or parties to the agreement who are
9 responsible for updating the information contained in the
10 summary document.

11 (35 ILCS 200/10-927 new)

12 Sec. 10-927. Minimum job creation requirements.

13 (a) The company must hire at least 100 new full-time
14 employees as a result of the megaproject beginning no later
15 than when the project is placed in service and lasting for the
16 duration of the incentive period. These new full-time
17 employees must be hired to support the business operations of
18 the megaproject and be located within the State of Illinois.

19 (b) A company may not satisfy the requirements of this
20 Section by relocating jobs from one site in Illinois to
21 another site in Illinois.

22 (35 ILCS 200/10-930 new)

23 Sec. 10-930. Installment bills; distribution of special
24 payments.

1 (a) The local municipality shall prepare a bill for the
2 company for each installment of the special payment according
3 to the schedule set forth in paragraph (5) of subsection (d) of
4 Section 10-925, or as modified pursuant to paragraph (7) of
5 subsection (d) of Section 10-925, and the company shall make
6 direct payments to the affected taxing entities according to
7 the schedule in paragraph (6) of subsection (d) of Section
8 10-925 or as modified in paragraph (7) of subsection (d) of
9 Section 10-925.

10 (b) The company shall make direct payments of the special
11 payment to the local taxing districts associated with the
12 megaproject within 30 days after receipt by the company of the
13 bill prepared by the local municipality.

14 (c) Misallocations of the special payments may be
15 corrected by adjusting later distributions, but these
16 adjustments must be made in the next succeeding year following
17 identification and resolution of the misallocation. To the
18 extent that distributions have been made improperly in
19 previous years, claims for adjustment must be made within one
20 year of the distribution.

21 (35 ILCS 200/10-937 new)

22 Sec. 10-937. Termination of incentive agreement; automatic
23 termination; minimum level of investment and new job creation
24 required to remain qualified for assessment freeze.

25 (a) The local municipality, the local taxing districts,

1 and the company may mutually agree to terminate the incentive
2 agreement at any time. From the date of termination, the
3 megaproject is subject to assessment on the basis of the
4 then-current fair cash value.

5 (b) An incentive agreement shall be terminated if the
6 company fails to satisfy the minimum investment level or the
7 job creation requirements provided in this Division. If the
8 incentive agreement is terminated under this subsection, the
9 megaproject is subject to assessment on the basis of the
10 then-current fair cash value beginning in the tax year during
11 which the termination occurs.

12 (c) An incentive agreement shall terminate if, at any
13 time, the company no longer has the minimum level of new job
14 creation and investment as provided in this Division, without
15 regard to depreciation.

16 (35 ILCS 200/10-940 new)

17 Sec. 10-940. Megaproject applications; certification as a
18 megaproject and revocation of certification.

19 (a) The Department shall receive applications for
20 megaproject certificates under this Division in a form and
21 manner provided by the Department by rule. The Department
22 shall promptly notify the assessment officer when the
23 Department receives an application under this Section. The
24 Department's rules shall provide that an applicant may request
25 preliminary approval of the megaproject before the project

1 begins, before the applicant has entered into a fully executed
2 incentive agreement with the local municipality and local
3 taxing districts, or before the project has been placed in
4 service.

5 (b) An applicant for a megaproject certificate under this
6 Division must provide evidence to the Department of a fully
7 executed incentive agreement between the company, the local
8 municipality, and the local taxing districts as described in
9 this Division.

10 (c) An applicant for a megaproject certificate under this
11 Division must provide evidence to the Department of a fully
12 executed project labor agreement entered into with the
13 applicable local building trades council prior to the
14 commencement of any demolition, building construction, or
15 building renovation at the project. If the demolition,
16 building construction, or building renovation begins after the
17 application is approved, then the applicant must transmit a
18 copy of the fully executed project labor agreement to the
19 Department as soon as possible after the agreement is
20 executed.

21 (d) An applicant for a megaproject certificate under this
22 Division must provide evidence to the Department that the
23 company has established the goal of awarding 20% of the total
24 dollar amount of contracts awarded during each calendar year
25 by the company, that are related to the project, to
26 minority-owned businesses.

1 (d-1) An applicant for a megaproject certificate under
2 this Division must provide evidence to the Department that the
3 company has entered into a memorandum of understanding with
4 the Department committing to the creation of at least 100 new
5 full-time jobs that provide support to the business operations
6 of the megaproject and are located within the State of
7 Illinois.

8 (e) The Department shall approve an application for a
9 megaproject certificate if the Department finds that the
10 project meets the requirements of this Division.

11 (f) Upon approval of the application, the Department shall
12 issue a megaproject certificate to the applicant and transmit
13 a copy to the assessment officer. The certificate shall
14 identify the property on which the megaproject is located.

15 (g) For each calendar year following issuance of the
16 megaproject certificate, until the minimum investment and new
17 job creation requirements have been met and the megaproject
18 has been placed in service, the company shall deliver a report
19 to the Department on the status of construction or creation of
20 the megaproject and the amount of minimum investment made in
21 the megaproject during the preceding calendar year. If the
22 Department determines, in accordance with the Administrative
23 Review Law and the Illinois Administrative Procedure Act, that
24 a project for which a certificate has been issued has not met
25 the minimum investment and job creation requirements of this
26 Division within the investment period, the Department shall

1 revoke the certificate by written notice to the taxpayer of
2 record and transmit a copy of the revocation to the assessment
3 officer.

4 (h) If the local municipality notifies the Department that
5 the incentive agreement between the company, the local
6 municipality, and the local taxing districts has been
7 terminated, the Department shall revoke the certificate by
8 written notice to the taxpayer of record and transmit a copy of
9 the revocation to the assessment officer.

10 (35 ILCS 200/10-945 new)

11 Sec. 10-945. Computation of valuation.

12 (a) Upon receipt of the megaproject certificate from the
13 Department, the assessment officer shall determine the base
14 year valuation and shall make a notation on each statement of
15 assessment during the assessment period that the valuation of
16 the project is based upon the issuance of a megaproject
17 certificate.

18 (b) Upon revocation of a megaproject certificate, the
19 assessment officer shall compute the assessed valuation of the
20 project on the basis of the then-current fair cash value of the
21 property.

22 (35 ILCS 200/10-950 new)

23 Sec. 10-950. Transfers of interest in a megaproject;
24 sale-leaseback arrangement; requirements.

1 (a) Subject to the terms of the incentive agreement
2 between the company, the local municipality, and the local
3 municipality, ownership of or any interest in the megaproject
4 and any and all related project property, including, without
5 limitation, transfers of indirect beneficial interests and
6 equity interests in a company owning a megaproject, shall not
7 affect the assessment freeze or the validity of the
8 megaproject certificate issued under this Division.
9 Notwithstanding the provisions of this subsection, the
10 incentive agreement shall be a covenant running with the land.

11 (b) A company may enter into lending, financing, security,
12 leasing, or similar arrangements, or a succession of such
13 arrangements, with a financing entity concerning all or part
14 of a project including, without limitation, a sale-leaseback
15 arrangement, equipment lease, build-to-suit lease, synthetic
16 lease, nordic lease, defeased tax benefit, or transfer lease,
17 an assignment, sublease, or similar arrangement, or succession
18 of those arrangements, with one or more financing entities
19 concerning all or part of a project, regardless of the
20 identity of the income tax or fee owner of the megaproject.
21 Neither the original transfer to the financing entity nor the
22 later transfer from the financing entity back to the company,
23 pursuant to terms in the sale-leaseback agreement, shall
24 affect the assessment freeze or the validity of the
25 megaproject certificate issued under this Division, regardless
26 of whether the income tax basis is changed for income tax

1 purposes.

2 (c) The Department must receive notice of all transfers
3 undertaken with respect to other projects to effect a
4 financing. Notice shall be made in writing within 60 days
5 after the transfer, shall identify each transferee, and shall
6 contain other information required by the Department with the
7 appropriate returns. Failure to meet this notice requirement
8 does not adversely affect the assessment freeze.

9 (35 ILCS 200/10-955 new)

10 Sec. 10-955. Minimum investment by company affiliates. To
11 be eligible for the benefits of this Division, a company must
12 invest the minimum investment. Investments by company
13 affiliates during the investment period may be applied toward
14 the minimum investment under this Division regardless of
15 whether the company affiliate was part of the project. To
16 qualify for the assessment freeze, the minimum investment must
17 be made in connection with the megaproject.

18 (35 ILCS 200/10-960 new)

19 Sec. 10-960. Projects to be valued at fair cash value for
20 purposes of bonded indebtedness and limitations on property
21 tax extensions. Projects to which an assessment freeze applies
22 pursuant to this Division shall be valued at their fair cash
23 value for purposes of calculating a municipality's general
24 obligation bond limits and a taxing district's limitation on

1 tax extensions.

2 (35 ILCS 200/10-965 new)

3 Sec. 10-965. Abatements. Any taxing district, upon a
4 majority vote of its governing authority, may, after the
5 determination of the assessed valuation as set forth in this
6 Division, order the clerk of the appropriate municipality or
7 county to abate any portion of real property taxes otherwise
8 levied or extended by the taxing district on a megaproject.

9 (35 ILCS 200/10-970 new)

10 Sec. 10-970. Filing of returns, contracts, and other
11 information; due date of payments and returns.

12 (a) The company and the local municipality shall file
13 notices, reports, and other information as required by the
14 Department.

15 (b) Special payments are due at the same time as property
16 tax payments and property tax returns are due for the
17 megaproject property.

18 (c) Failure to make a timely special payment results in
19 the assessment of penalties as if the payment were a
20 delinquent property tax payment or return.

21 (d) Within 30 days after the date of execution of an
22 incentive agreement, a copy of the incentive agreement must be
23 filed with the Department, the county assessor, and the county
24 auditor for the county in which the megaproject is located.

1 (35 ILCS 200/10-980 new)

2 Sec. 10-980. Rules. The Department may issue rulings and
3 adopt rules as necessary to carry out the purpose of this
4 Division.

5 (35 ILCS 200/10-985 new)

6 Sec. 10-985. Prohibition on multiple credits, exemptions,
7 and freezes. An applicant for a megaproject certificate who
8 qualifies for an assessment freeze under this Section is not
9 entitled to any other property tax credits, exemptions, or
10 assessment freezes relating to the megaproject.

11 (35 ILCS 200/10-990 new)

12 Sec. 10-990. Sports stadiums. An applicant is not
13 eligible for a megaproject assessment freeze under this
14 Section for the construction or development of a sports
15 stadium unless, prior to the approval of the megaproject by
16 the Department, the General Assembly approves the megaproject
17 by joint resolution.

18 (35 ILCS 200/10-995 new)

19 Sec. 10-995. Tax Increment Financing districts. A project
20 that is located and operated in a Tax Increment Financing
21 (TIF) district or TIF designated area is not eligible for a
22 megaproject assessment freeze under this Section. The

1 agreement shall provide that the megaproject certificate is
2 void if an area on which the megaproject is located is
3 designated as a TIF district or TIF designated area.

4 (35 ILCS 200/10-1000 new)

5 Sec. 10-1000. Invalidity. If all or any part of this
6 Division is determined to be unconstitutional or otherwise
7 unenforceable by a court of competent jurisdiction, a company
8 has 180 days from the date of the determination to transfer the
9 megaproject's title to an authorized economic development
10 authority that qualifies for property tax assessment under
11 this Division or is exempt from property taxes.

12 Section 97. Severability. The provisions of this Act are
13 severable under Section 1.31 of the Statute on Statutes.

14 Section 99. Effective date. This Act takes effect June 1,
15 2024.

1 INDEX

2 Statutes amended in order of appearance

- 3 35 ILCS 105/3-5
- 4 35 ILCS 110/3-5
- 5 35 ILCS 115/3-5
- 6 35 ILCS 120/2-5
- 7 35 ILCS 200/Art. 10 Div.
- 8 22 heading new
- 9 35 ILCS 200/10-910 new
- 10 35 ILCS 200/10-915 new
- 11 35 ILCS 200/10-920 new
- 12 35 ILCS 200/10-925 new
- 13 35 ILCS 200/10-927 new
- 14 35 ILCS 200/10-930 new
- 15 35 ILCS 200/10-937 new
- 16 35 ILCS 200/10-940 new
- 17 35 ILCS 200/10-945 new
- 18 35 ILCS 200/10-950 new
- 19 35 ILCS 200/10-955 new
- 20 35 ILCS 200/10-960 new
- 21 35 ILCS 200/10-965 new
- 22 35 ILCS 200/10-970 new
- 23 35 ILCS 200/10-980 new
- 24 35 ILCS 200/10-985 new
- 25 35 ILCS 200/10-990 new

SB2857

- 124 -

LRB103 36897 HLH 67010 b

- 1 35 ILCS 200/10-995 new
- 2 35 ILCS 200/10-1000 new