



Rep. William Davis

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1 AMENDMENT TO SENATE BILL 1691

2 AMENDMENT NO. _____. Amend Senate Bill 1691, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 5

6 Section 5-1. Short title. This Article may be cited as the
7 Food Desert Mitigation Act.

8 Section 5-3. Purpose. The General Assembly finds that there
9 are large geographic areas of the State, particularly low to
10 moderate income, where citizens have little or no access to
11 grocery stores and other sources of food needed to maintain a
12 healthy diet. Such inaccessibility has been linked to
13 deleterious effects on individuals in those areas in the form
14 of adverse health effects and shortened life expectancy.
15 Communities can also be affected in the form of depressed

1 economic activity and land values. Due to a number of
2 circumstances, operators of grocery stores face substantial
3 challenges in their efforts to develop new stores or maintain
4 existing stores in such areas. To stem these deleterious
5 effects, the State must promote investment, through tax credits
6 and exemptions, in new and existing stores in order to mitigate
7 the number and breadth of food desert areas. Such action will
8 have direct and long lasting benefits. Most importantly, such
9 action will reduce the challenges that people face in accessing
10 quality food which in turn promotes greater health for the
11 citizens of Illinois. Investment in new and existing grocery
12 stores also means stimulation of community revitalization,
13 creation of new short and long term job opportunities,
14 enhancement of the real estate tax base and the generation of
15 new and additional revenue streams for State and local
16 governments. In addition, grocery stores often serve as retail
17 anchors which can lead to new and diverse retail opportunities
18 across Illinois.

19 Section 5-5. Definitions. As used in this Act:

20 "Affiliate" means a person or business entity that,
21 directly or indirectly, through one or more intermediaries,
22 controls, is controlled by, or is under common control with an
23 eligible applicant.

24 "Agreement" means an agreement between an eligible
25 applicant and the Department under the provisions of Section

1 5-50 of this Act and relating to a single existing full service
2 grocery store or a proposed full service grocery store.

3 "Below average food service density" means that there is
4 not a full service grocery store with at least 20,000 or more
5 square feet of sales area that sells fresh foods within two
6 miles of the site that is the subject of an application filed
7 pursuant to Section 5-20. Distances shall be measured based on
8 the shortest reasonable pedestrian route and not in a straight
9 line measurement.

10 "Credit" means a credit against taxes imposed on an
11 eligible applicant, an affiliate, or their successors for a
12 taxable year pursuant to subsections (a) and (b) of Section 201
13 of the Illinois Income Tax Act in an amount as set forth in
14 Section 5-15 of this Act.

15 "Department" means the Department of Commerce and Economic
16 Opportunity or successor agency thereto.

17 "Director" means the Director of Commerce and Economic
18 Opportunity.

19 "Electric tax exemption" means a full exemption from taxes
20 imposed on or charged to the operator of an existing full
21 service grocery store or its affiliate pursuant to (a) Section
22 2-4 of the Electricity Excise Tax Law; (b) Section 2-202 of the
23 Public Utilities Act; and (c) Section 2.1a of the Gas Tax
24 Revenue Act.

25 "Eligible applicant" means a Taxpayer that (a) operates an
26 existing full service grocery store and proposes to invest in

1 the rehabilitation, or expansion, or both of such existing full
2 service grocery store or (b) proposes to develop and operate a
3 proposed full service grocery store.

4 "Existing full service grocery store" means a fully
5 operational for profit or not-for-profit retail establishment
6 with one or more affiliated business units operating at a
7 single location (a) that regularly sells fresh foods; (b) that
8 derives at least (1) 55% of its annual revenues from the sale
9 of food products and (2) 15% of its annual revenues from the
10 sale of fresh foods; and (c) which is located in an underserved
11 area.

12 "Food desert" means a large geographic area (a) designated
13 as such by municipal ordinance or resolution and (b) where
14 residents have little or no access, due to physical or
15 geographic barriers, to foods needed to maintain a healthy
16 lifestyle.

17 "Fresh foods" means (a) meat, seafood, and produce offered
18 for sale in an unfrozen condition; (b) dairy products; and (c)
19 baked goods.

20 "Full-time employee" means an individual who is employed by
21 an eligible applicant or its affiliate for consideration for at
22 least 30 hours each week or who renders any other standard of
23 service generally accepted by industry custom or practice as
24 full-time employment at an existing full service grocery store.

25 "Full-time employee" does not include an individual who does
26 not dedicate at least 80% of his or her employment activities

1 to a single existing full service grocery store, such as, but
2 not limited to, regional managers, district managers, and other
3 employees whose employment responsibilities are to more than
4 one existing full service grocery store.

5 "Fund" means the fund established pursuant to Section 5-85
6 of this Act.

7 "Gas tax exemption" means a full exemption from the taxes
8 imposed on or charged to the operator of an existing full
9 service grocery store or its affiliate pursuant to Section 2
10 and Section 2.1a of the Gas Revenue Tax Act.

11 "Low income or moderate income market area" means a
12 geographic area having a full service grocery store customer
13 base with more than 50% of the residents living in one or more
14 federal census tracts that have been designated as low income
15 by the most recently available full or partial federal census.

16 "Noncompliance date" means, in the case of an eligible
17 applicant that is not complying with the requirements of the
18 Agreement or the provisions of this Act, the day following the
19 last date upon which the eligible applicant was in compliance
20 with the requirements of the Agreement and the provisions of
21 this Act, as determined by the Director, pursuant to Section
22 5-65.

23 "Part-time employee" means an individual who is employed by
24 an eligible applicant or its affiliate for consideration for
25 fewer than 30 hours each week at an existing full service
26 grocery store.

1 "Pass-through entity" means an entity that is exempt from
2 the tax under subsection (b) or (c) of Section 205 of the
3 Illinois Income Tax Act.

4 "Payroll" means all salaries, wages and bonuses, as
5 reflected in a full-time employee or part-time employee's
6 Internal Revenue Service Form W-2, paid in a taxable year by an
7 eligible applicant or its affiliates to all full-time employees
8 and part-time employees at an existing full service grocery
9 store that is the subject of an Agreement with the Department;
10 provided, however, the value of health care, retirement plan
11 contributions, and other similar benefits shall not be
12 considered in the calculation of the term "payroll".

13 "Placed into service" shall have the same meaning as
14 described in subsection (h) of Section 201 of the Illinois
15 Income Tax Act.

16 "Project investment" shall mean the expenditures of an
17 eligible applicant and/or its affiliate for land acquisition,
18 loan amounts borrowed, hard and soft construction costs,
19 financing and interest costs, furniture, fixtures, and
20 equipment, job training, attorney and consultant fees, and
21 other costs and expenses reasonably related to the
22 rehabilitation of an existing full service grocery store or the
23 development of a proposed full service grocery store. Project
24 investment shall also include capitalized lease amounts.

25 "Proposed full service grocery store" means a proposed
26 for-profit or not-for-profit retail establishment with one or

1 more business units operating at a single location (a) that
2 regularly sells Fresh Foods; (b) that is anticipated to derive
3 at least (1) 55% of its annual revenues from the sale of food
4 products and (2) 15% of its annual revenues from the sale of
5 Fresh Foods; and (c) that will be located in an underserved
6 area.

7 "Sales tax exemption" means a full exemption from the tax
8 imposed under the Retailers' Occupation Tax Act and the Use Tax
9 Act for (a) building materials physically incorporated into an
10 existing full service grocery store or a proposed full service
11 grocery store and (b) personal property such as furniture,
12 fixtures and equipment that are used in the operation of an
13 existing full service grocery store.

14 "Sunset date" means June 14, 2014.

15 "Taxpayer" means an individual, corporation, partnership,
16 or other entity that has or may have any Illinois income tax
17 liability under the Illinois Income Tax Act.

18 "Tax exemptions" means the Gas Tax exemption, the Electric
19 Tax exemption and the Sales Tax exemption that are available to
20 an eligible applicant during the entire term of an Agreement.

21 "Underserved area" means: (a) a food desert; (b) a federal
22 census tract that has been designated as low income or
23 moderate-income by the most recently available full or partial
24 federal census; (c) a project site in an area that has below
25 average food service density; or (d) a low income market area.

1 Section 5-10. Powers of the Department. The Department, in
2 addition to those powers granted under the Civil Administrative
3 Code of Illinois, is granted and shall have all the powers
4 necessary or convenient to carry out and effectuate the
5 purposes and provisions of this Act, including, but not limited
6 to, the power and authority to:

7 (a) Establish forms for applications, notifications,
8 contracts, or any other agreements; and accept applications at
9 any time during the year prior to the sunset date.

10 (b) Provide assistance to eligible applicants pursuant to
11 the provisions of this Act, and cooperate with eligible
12 applicants that are parties to agreements to promote, foster,
13 and support the goals and purposes of this Act.

14 (c) Enter into agreements and memoranda of understanding
15 for participation of and engage in cooperation with agencies of
16 the federal government, units of local government,
17 universities, research foundations or institutions, regional
18 economic development corporations, or other organizations in
19 furtherance of the purposes of this Act.

20 (d) Gather information and conduct inquiries, in the manner
21 and by the methods it deems desirable, including without
22 limitation, gathering information with respect to an eligible
23 applicant for the purpose of making any designations or
24 certifications necessary in the furtherance of the purposes of
25 this Act.

26 (e) Establish, negotiate, and effectuate any term,

1 agreement, or other document with any person necessary or
2 appropriate to accomplish the purposes of this Act; and to
3 consent, subject to the provisions of any Agreement with
4 another party, to the modification or restructuring of any
5 Agreement to which the Department is a party.

6 (f) Fix, determine, charge, and collect any premiums, fees,
7 charges, costs, and expenses from eligible applicants,
8 including, without limitation, any application fees,
9 commitment fees, program fees, financing charges, or
10 publication fees, as deemed appropriate to pay expenses
11 necessary or incidental to administration, staffing, or
12 operations in connection with the Department's activities
13 under this Act, or for the preparation, implementation, and
14 enforcement of the terms of an Agreement, or for consultation,
15 advisory and legal fees, and other costs.

16 (g) Provide for sufficient personnel to permit
17 administration, staffing, operation, and related support
18 required to adequately discharge its duties and
19 responsibilities described in this Act from funds made
20 available through charges to eligible applicants or from funds
21 that may be appropriated by the General Assembly for the
22 administration of this Act.

23 (h) Require eligible applicants, upon written request, to
24 issue any necessary authorization to the appropriate federal,
25 State, or local authority for the release of information
26 concerning a project being considered under the provisions of

1 this Act, with the information requested to include, but not be
2 limited to, financial reports, returns, or records relating to
3 the eligible applicant or the subject matter of an Agreement.

4 (i) Require that eligible applicants keep at all times
5 proper books and records in accordance with generally accepted
6 accounting principles, with the books, records, or other
7 documentation related to the Agreement in the custody or
8 control of the eligible applicant open for reasonable
9 Department inspection and audits, and including, without
10 limitation, the making of copies of the books, records, or
11 papers, and the inspection or appraisal of any of the eligible
12 applicant or project assets.

13 (j) Take whatever actions are necessary or appropriate to
14 protect the State's interest in the event of bankruptcy,
15 default, foreclosure, or noncompliance with the terms and
16 conditions of financial assistance or participation required
17 under this Act, including the power to sell, dispose of, lease,
18 or rent, upon terms and conditions determined by the Director
19 to be appropriate, real or personal property that the
20 Department may receive as a result of these actions.

21 Section 5-15. Credit awards.

22 (a) Subject to the approval of the Department, execution of
23 an Agreement with the Department and the conditions set forth
24 in this Act, an eligible applicant shall be entitled to a
25 credit in the amounts set forth below beginning on: (i) for an

1 existing full service grocery store, the date upon which the
2 eligible applicant certifies in writing to the Department that
3 it has made a project investment of at least \$1,000,000 and
4 (ii) with respect to a proposed full service grocery store, the
5 date upon which the proposed full service grocery store is
6 placed into service. In addition, where an eligible applicant
7 leases a portion of an existing full service grocery store to
8 an affiliated or non-affiliated business entity which derives
9 more than 50% of its annual revenues from the sale of
10 pharmaceutical products and services, the payroll, project
11 investment and full-time employees and part-time employees of
12 such lessee shall be attributed to the eligible applicant for
13 the purposes of determining the amount of the credit.

14 (b) The Department shall make credit awards and grants of
15 tax exemptions under this Act to mitigate underserved areas and
16 to foster economic development in Illinois.

17 The terms and conditions of awards of credits and grants of
18 tax exemptions shall be set forth in an Agreement between the
19 Department and an eligible applicant for each existing full
20 service grocery store or proposed full service grocery store
21 for which credits and tax exemptions are sought. An Agreement
22 shall permit an eligible applicant to receive credits and tax
23 exemptions for at least 10 years but in no event more than 20
24 years and the term of such Agreement shall be of a duration to
25 permit an eligible applicant to fully receive the value of such
26 credits and tax exemptions.

1 (c) The credit shall be claimed for the taxable years
2 specified in the Agreement. Credits may be claimed by an
3 eligible applicant and/or its affiliates, which may include but
4 are not limited to, entities that are members of the same
5 unitary business group as the eligible applicant. If credits
6 are not claimed by the eligible applicant in a taxable year,
7 the eligible applicant may (1) carry forward such credit up to
8 a maximum of 5 taxable years from the taxable year in which the
9 credit accrued or (2) sell, convey, or pledge such credit to
10 any other taxpayer provided such sale, conveyance, or pledge
11 conforms to subsection (e) of this Section.

12 (d) The Credit shall be in the following amounts and in
13 accordance with the following schedules:

14 (1) For a project investment greater than \$1,000,000
15 but less than \$4,000,000, 8% of the payroll for year 1 of
16 the Agreement, 4% of the payroll for years 2 and 3 of the
17 Agreement, and 2% of the payroll for years 4 through 10 of
18 the Agreement;

19 (2) For a project investment greater than \$4,000,000
20 but less than \$7,000,000, 9% of the payroll for years 1
21 through 3 of the Agreement, 5% of the payroll for years 4
22 through 6 of the Agreement, and 2% of the payroll for years
23 7 through 10 of the Agreement;

24 (3) For a project investment greater than \$7,000,000
25 but less than \$10,000,000, 10% of the payroll for years 1
26 through 4 of the Agreement, 6% of the payroll for years 5

1 through 7 of the Agreement, and 4% of the payroll for years
2 8 through 10 of the Agreement; and

3 (4) For a project investment in excess of \$10,000,000,
4 10% of the payroll for each year of the Agreement.

5 (e) The credits authorized by this Act may be pledged,
6 transferred, sold, or assigned to any other Taxpayer by filing
7 a notarized endorsement thereof with the Department of Revenue
8 that names the beneficiary, the amount of the Credit
9 transferred, the value received for the credit as well as any
10 other information reasonably requested by the Department of
11 Revenue.

12 Section 5-17. Tax exemption grants.

13 (a) Subject to the approval of the Department, execution of
14 an Agreement with the Department, and the conditions set forth
15 in this Act, an eligible applicant shall be entitled to the tax
16 exemptions as follows: (1) for an existing full service grocery
17 store, the date upon which the eligible applicant certifies to
18 the Department that it has made a project investment of at
19 least \$1,000,000; provided, however, the eligible applicant
20 shall be entitled to the sales tax exemption immediately upon
21 full execution of the Agreement and (2) with respect to a
22 proposed full service grocery store, the date upon which the
23 proposed full service grocery store is placed into service;
24 provided, however, the eligible applicant shall be entitled to
25 the sales tax exemption immediately upon full execution of the

1 Agreement.

2 (b) The corporate authorities of a home rule municipality
3 may by ordinance rebate to, share with or grant exemptions to
4 an eligible applicant for (1) any of the taxes that a home rule
5 municipality is authorized to impose pursuant to the Home Rule
6 Municipal Retailers' Occupation Tax Act, the Home Rule
7 Municipal Use Tax Act or Section 8-11-2 of the Illinois
8 Municipal Code and (2) the municipality's share of the revenues
9 distributed to it pursuant to Section 6z-18 of the State
10 Finance Act.

11 (c) The corporate authorities of a non-home rule
12 municipality may by ordinance rebate to, share with or grant
13 exemptions to an eligible applicant for (1) the taxes that a
14 non-home rule municipality is authorized to impose pursuant to
15 the Non-Home Rule Municipal Retailers' Occupation Tax, the
16 Non-Home Rule Municipal Use Tax Act or Section 8-11-2 of the
17 Illinois Municipal Code and (2) the municipality's share of the
18 revenues distributed to it pursuant to Section 6z-18 of the
19 State Finance Act.

20 Section 5-20. Application for credits and tax exemptions.

21 (a) Any eligible applicant proposing to make a project
22 investment in an existing full service grocery store or a
23 proposed full service grocery store that desires to enter into
24 an Agreement with the Department shall submit a formal
25 application to the Department on or before the sunset date, in

1 which the eligible applicant states (1) its intent to make a
2 project investment in an existing full service grocery store or
3 to construct and operate a proposed full service grocery store
4 and (2) how the eligible applicant meets the qualifications set
5 forth in subsection (b) below. In addition, the application
6 shall include such information as is set forth in Section 15(a)
7 of the Corporate Accountability for Tax Expenditures Act;
8 provided that the Director shall have the authority to modify
9 the application submittal requirements.

10 (b) In order to qualify for credits and tax exemptions
11 under this Act, an eligible applicant must demonstrate in its
12 application that:

13 (1) It proposes to make a project investment of at
14 least \$1,000,000;

15 (2) The rehabilitation or development project involves
16 an existing full service grocery store or a proposed full
17 service grocery store;

18 (3) The eligible applicant has committed and available
19 financing and/or equity necessary to complete the
20 rehabilitation or development project in a timely manner;
21 and

22 (4) The eligible applicant is in good standing with the
23 Illinois Secretary of State's Office.

24 (c) Where an eligible applicant seeks to qualify for the
25 benefits under this Act for investing in a full service grocery
26 store in a low income market area, the eligible applicant must

1 reasonably demonstrate to the Department that the site that is
2 the subject of the application meets the criteria for a low
3 income market area.

4 (d) Provided that an eligible applicant meets the criteria
5 set forth in this Section 5-20 and other applicable conditions
6 of this Act, the Department shall enter into an Agreement with
7 the eligible applicant on terms and conditions that are
8 reasonably acceptable to the parties and otherwise in
9 conformity with this Act.

10 (e) The Department may not receive applications after the
11 sunset date. The Department shall have the continuing authority
12 to (1) review any complete application that has been
13 transmitted to the Department on or before the sunset date; (2)
14 enter into an Agreement with an eligible applicant that has
15 submitted a complete application on or prior to the sunset date
16 provided the eligible applicant meets the criteria set forth in
17 Section 5-20; and (3) modify and amend Agreements that were
18 entered into pursuant to an application that was transmitted on
19 or before the sunset date. Such sunset of authority shall in no
20 way impair the terms, conditions, rights, or obligations of
21 Agreements that have been entered into pursuant to an
22 application that was transmitted on or before the sunset date.

23 (f) Expenditures that an eligible applicant has made as of
24 January 1, 2009 may be included by the eligible applicant and
25 shall be accepted by the Department for the purposes of
26 determining the amount of an eligible applicant's project

1 investment.

2 Section 5-30. Limitation on amount of credit and tax
3 exemptions. The total amount of the credits and tax exemptions
4 taken by an eligible applicant pursuant to an Agreement shall
5 not exceed the project investment in the existing full service
6 grocery store or proposed full service grocery store that is
7 the Subject of the Agreement. This Section 5-30 shall not be
8 construed as precluding an eligible applicant from entering
9 into more than one Agreement with the Department and fully
10 realizing the benefits of the credits and tax exemptions
11 granted under each Agreement.

12 Section 5-35. Contents of Agreements with applicants. The
13 Department shall enter into an Agreement with an eligible
14 applicant that qualifies for a credit under this Act. The
15 Agreement must include all of the following:

16 (a) A detailed description of the rehabilitation or
17 development project, including the location of the project and
18 the anticipated amount of the project investment.

19 (b) A specific method for determining the payroll during a
20 taxable year.

21 (c) A requirement that the eligible applicant shall
22 annually report to the Department the number of full-time
23 employees, part-time employees, the amount of the payroll paid,
24 and any other information reasonably necessary to allow the

1 Director to perform his or her duties under this Act.

2 (d) A requirement that the eligible applicant certify to
3 the Director that it continues to operate an existing full
4 service grocery store, which certification may be made as part
5 of the annual report referenced in subsection (c) of this
6 Section 5-50.

7 (e) A requirement that the Director is authorized to verify
8 with the appropriate State agencies the matters reported under
9 subsections (c) and (d), and after doing so shall issue a
10 certificate to the eligible applicant stating that the matters
11 have been verified.

12 (f) The minimum project investment that the eligible
13 applicant will make and an estimated time period for completing
14 the project.

15 (g) A provision that, if the project no longer meets the
16 definition of an existing full service grocery store, the
17 allowance of further credit and tax exemptions shall be
18 suspended until the project meets the definition.

19 (h) A detailed description of the items for which the costs
20 incurred by the eligible applicant will be included in the
21 limitation on the credit and tax exemptions provided in Section
22 5-30.

23 (i) A recapture provision providing that (1) if the project
24 no longer meets the definition of an existing full service
25 grocery store, the allowance of the credit shall be suspended
26 until project meets the definition except that the eligible

1 applicant shall be permitted to utilize credits that have
2 accrued prior to a suspension; (2) if the eligible applicant
3 discontinues operations at the project site, the eligible
4 applicant shall automatically forfeit all credits accrued
5 prior to the termination of operations that have not been
6 utilized by the eligible applicant and the eligible applicant
7 shall not be entitled to any credits or tax exemptions after
8 the date of termination of operations. Such recapture
9 provisions shall be deemed to satisfy the requirements of the
10 Corporate Accountability for Tax Expenditure Act. The Director
11 may elect to waive enforcement of any contractual provision
12 arising out of the Agreement required by this Act based on a
13 finding that the waiver is necessary to avert an imminent and
14 demonstrable hardship to the eligible applicant that may result
15 in such eligible applicant insolvency or discharge of workers.
16 If a waiver is granted, the recipient must agree to a
17 contractual modification, including recapture provisions, to
18 the Agreement. The existence of any waiver granted pursuant to
19 this subsection (i), the date of the granting of such waiver,
20 and a brief summary of the reasons supporting the granting of
21 such waiver shall be disclosed consistent with the provisions
22 of Section 25 of Corporate Accountability for Tax Expenditure
23 Act.

24 (j) Any other performance conditions or contract
25 provisions as the Department determines are reasonably
26 appropriate.

1 Section 5-55. Certificate of Verification; Submission to
2 the Department of Revenue. An eligible applicant claiming a
3 credit under this Act shall submit to the Department of Revenue
4 a copy of the Director's certificate of verification under this
5 Act for the taxable year. However, failure to submit a copy of
6 the certificate with the Taxpayer's tax return shall not
7 invalidate a claim for a credit. In order to receive a
8 certificate of verification, the eligible applicant shall
9 certify to the Department prior to the end of each calendar
10 year that an Agreement is in effect that (a) the project meets
11 the definition of an existing full service grocery store and
12 (b) the amount of payroll payments that the eligible applicant
13 has made during the taxable year.

14 Section 5-60. Pass-through entity.

15 (a) The shareholders or partners of an eligible applicant
16 that is a pass-through entity shall be entitled to the credit
17 allowed under an Agreement.

18 (b) The credit provided under subsection (a) is in addition
19 to any credit to which a shareholder or partner is otherwise
20 entitled under a separate Agreement under this Act. A
21 pass-through entity and a shareholder or partner of the
22 pass-through entity may not claim more than one credit under
23 the same Agreement.

1 Section 5-65. Noncompliance; Notice; Assessment. If the
2 Director believes that an eligible applicant which has received
3 credits or tax exemptions under this Act is not complying with
4 the requirements of the Agreement or this Act, the Director
5 shall notify the eligible applicant of the alleged
6 noncompliance and the eligible applicant's right to a hearing
7 pursuant to the Illinois Administrative Procedure Act. If,
8 after such notice and any hearing, the Director determines that
9 a noncompliance exists, the Director shall issue to the
10 Department of Revenue notice to that effect, stating the
11 noncompliance date. The Department of Revenue shall suspend
12 eligible applicant right to claim and accrue credits and
13 receive tax exemptions as of the date of the Department's
14 notice until such time as (a) the Director determines that the
15 eligible applicant is in compliance with the requirements of
16 the Agreement and the provisions of this Act or (b) the
17 eligible applicant obtains a favorable judicial determination
18 that the eligible applicant's rights should not have been
19 suspended. In the case of subsection (b), an eligible applicant
20 shall be entitled to all credits and tax exemptions that would
21 have accrued during the suspension period but for the
22 determination of noncompliance.

23 Section 5-70. Annual report. On or before July 1 each year,
24 the Illinois Business Investment Committee shall submit a
25 report to the Department on the program under this Act to the

1 Governor and the General Assembly. The report shall include
2 information on the number of Agreements that were entered into
3 under this Act during the preceding calendar year, a
4 description of the project that is the subject of each
5 Agreement, an update on the status of projects under Agreements
6 entered into before the preceding calendar year, and the sum of
7 the credits and tax exemptions awarded under this Act. A copy
8 of the report shall be delivered to the Governor and to each
9 member of the General Assembly.

10 Section 5-75. Evaluation of tax credit program. On a
11 biennial basis, the Department shall evaluate the program. The
12 evaluation shall include an assessment of the effectiveness of
13 the program in increasing accessibility to full service grocery
14 stores in underserved areas and of the revenue impact of the
15 program, and may include a review of the practices and
16 experiences of other states with similar programs. The Director
17 shall submit a report on the evaluation to the Governor and the
18 General Assembly after June 30 and before November 1 in each
19 odd-numbered year.

20 Section 5-80. Adoption of rules. The Department may adopt
21 rules necessary to implement or administer this Act. The rules
22 may provide for recipients of credits and tax exemptions under
23 this Act to be charged fees to cover administrative costs of
24 the program. Fees collected shall be deposited into the Food

1 Desert Mitigation Act Fund.

2 Section 5-85. The Food Desert Mitigation Fund.

3 (a) The Food Desert Mitigation Fund is established to be
4 used exclusively for the purposes of this Act, including paying
5 for the costs of administering this Act. The Fund shall be
6 administered by the Department.

7 (b) The Fund consists of collected fees, appropriations
8 from the General Assembly, and gifts and grants to the Fund.

9 (c) The State Treasurer shall invest the money in the Fund
10 not currently needed to meet the obligations of the Fund in the
11 same manner as other public funds may be invested. Interest
12 that accrues from these investments shall be deposited into the
13 Fund.

14 (d) The money in the Fund at the end of a State fiscal year
15 remains in the Fund to be used exclusively for the purposes of
16 this Act. Expenditures from the Fund are subject to
17 appropriation by the General Assembly.

18 Section 5-90. Program terms and conditions. Any
19 documentary materials or data made available to or received by
20 any agent or employee of the Department shall be deemed
21 confidential and shall not be deemed public records to the
22 extent that the materials or data consists of trade secrets,
23 commercial or financial information regarding the operation of
24 the business conducted by an eligible applicant, or any

1 information regarding the competitive position of an eligible
2 applicant. Where the Department shares any such materials or
3 data with any other agency, government employee or unit of
4 government, the Department shall take steps that are necessary
5 to ensure such materials and data are afforded the same if not
6 more strict treatment of confidentiality.

7 ARTICLE 10

8 Section 10-3. The State Finance Act is amended by adding
9 Section 5.723 as follows:

10 (30 ILCS 105/5.723 new)

11 Sec. 5.723. The Food Desert Mitigation Fund.

12 Section 10-5. The Illinois Income Tax Act is amended by
13 adding Section 218 as follows:

14 (35 ILCS 5/218 new)

15 Sec. 218. Food desert mitigation credit. Credits may be
16 awarded against the tax imposed under subsections (a) and (b)
17 of this Act as provided in the Food Desert Mitigation Act. This
18 Section is exempt from the provisions of Section 250 of this
19 Act.

20 Section 10-10. The Use Tax Act is amended by changing

1 Section 3-5 as follows:

2 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

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

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

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

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

1 of this amendatory Act of the 92nd General Assembly, however,
2 an entity otherwise eligible for this exemption shall not make
3 tax-free purchases unless it has an active identification
4 number issued by the Department.

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

19 (5) Until July 1, 2003, a passenger car that is a
20 replacement vehicle to the extent that the purchase price of
21 the car is subject to the Replacement Vehicle Tax.

22 (6) Until July 1, 2003 and beginning again on September 1,
23 2004, graphic arts machinery and equipment, including repair
24 and replacement parts, both new and used, and including that
25 manufactured on special order, certified by the purchaser to be
26 used primarily for graphic arts production, and including

1 machinery and equipment purchased for lease. Equipment
2 includes chemicals or chemicals acting as catalysts but only if
3 the chemicals or chemicals acting as catalysts effect a direct
4 and immediate change upon a graphic arts product.

5 (7) Farm chemicals.

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

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

13 (10) A motor vehicle of the first division, a motor vehicle
14 of the second division that is a self-contained motor vehicle
15 designed or permanently converted to provide living quarters
16 for recreational, camping, or travel use, with direct walk
17 through to the living quarters from the driver's seat, or a
18 motor vehicle of the second division that is of the van
19 configuration designed for the transportation of not less than
20 7 nor more than 16 passengers, as defined in Section 1-146 of
21 the Illinois Vehicle Code, that is used for automobile renting,
22 as defined in the Automobile Renting Occupation and Use Tax
23 Act.

24 (11) Farm machinery and equipment, both new and used,
25 including that manufactured on special order, certified by the
26 purchaser to be used primarily for production agriculture or

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

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

25 Farm machinery and equipment also includes computers,
26 sensors, software, and related equipment used primarily in the

1 computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not limited
3 to, the collection, monitoring, and correlation of animal and
4 crop data for the purpose of formulating animal diets and
5 agricultural chemicals. This item (11) is exempt from the
6 provisions of Section 3-90.

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

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

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

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

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

10 (16) Until July 1, 2003, coal exploration, mining,
11 offhighway hauling, processing, maintenance, and reclamation
12 equipment, including replacement parts and equipment, and
13 including equipment purchased for lease, but excluding motor
14 vehicles required to be registered under the Illinois Vehicle
15 Code.

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

22 (18) Manufacturing and assembling machinery and equipment
23 used primarily in the process of manufacturing or assembling
24 tangible personal property for wholesale or retail sale or
25 lease, whether that sale or lease is made directly by the
26 manufacturer or by some other person, whether the materials

1 used in the process are owned by the manufacturer or some other
2 person, or whether that sale or lease is made apart from or as
3 an incident to the seller's engaging in the service occupation
4 of producing machines, tools, dies, jigs, patterns, gauges, or
5 other similar items of no commercial value on special order for
6 a particular purchaser.

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

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

14 (21) Horses, or interests in horses, registered with and
15 meeting the requirements of any of the Arabian Horse Club
16 Registry of America, Appaloosa Horse Club, American Quarter
17 Horse Association, United States Trotting Association, or
18 Jockey Club, as appropriate, used for purposes of breeding or
19 racing for prizes. This item (21) is exempt from the provisions
20 of Section 3-90, and the exemption provided for under this item
21 (21) applies for all periods beginning May 30, 1995, but no
22 claim for credit or refund is allowed on or after January 1,
23 2008 for such taxes paid during the period beginning May 30,
24 2000 and ending on January 1, 2008.

25 (22) Computers and communications equipment utilized for
26 any hospital purpose and equipment used in the diagnosis,

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

22 (23) Personal property purchased by a lessor who leases the
23 property, under a lease of one year or longer executed or in
24 effect at the time the lessor would otherwise be subject to the
25 tax imposed by this Act, to a governmental body that has been
26 issued an active sales tax exemption identification number by

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

16 (24) 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 for
19 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 (25) 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 the
3 performance of infrastructure repairs in this State, including
4 but not limited to municipal roads and streets, access roads,
5 bridges, sidewalks, waste disposal systems, water and sewer
6 line extensions, water distribution and purification
7 facilities, storm water drainage and retention facilities, and
8 sewage treatment facilities, resulting from a State or
9 federally declared disaster in Illinois or bordering Illinois
10 when such repairs are initiated on facilities located in the
11 declared disaster area within 6 months after the disaster.

12 (26) Beginning July 1, 1999, game or game birds purchased
13 at a "game breeding and hunting preserve area" or an "exotic
14 game hunting area" as those terms are used in the Wildlife Code
15 or at a hunting enclosure approved through rules adopted by the
16 Department of Natural Resources. This paragraph is exempt from
17 the provisions of Section 3-90.

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

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

10 (28) 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 3-90.

24 (29) 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 other

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

8 (30) Beginning January 1, 2001 and through June 30, 2011,
9 food for human consumption that is to be consumed off the
10 premises where it is sold (other than alcoholic beverages, soft
11 drinks, and food that has been prepared for immediate
12 consumption) and prescription and nonprescription medicines,
13 drugs, medical appliances, and insulin, urine testing
14 materials, syringes, and needles used by diabetics, for human
15 use, when purchased for use by a person receiving medical
16 assistance under Article 5 of the Illinois Public Aid Code who
17 resides in a licensed long-term care facility, as defined in
18 the Nursing Home Care Act.

19 (31) Beginning on the effective date of this amendatory Act
20 of the 92nd General Assembly, computers and communications
21 equipment utilized for any hospital purpose and equipment used
22 in the diagnosis, analysis, or treatment of hospital patients
23 purchased by a lessor who leases the equipment, under a lease
24 of one year or longer executed or in effect at the time the
25 lessor would otherwise be subject to the tax imposed by this
26 Act, to a hospital that has been issued an active tax exemption

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

18 (32) Beginning on the effective date of this amendatory Act
19 of the 92nd General Assembly, personal property purchased by a
20 lessor who leases the property, under a lease of one year or
21 longer executed or in effect at the time the lessor would
22 otherwise be subject to the tax imposed by this Act, to a
23 governmental body that has been issued an active sales tax
24 exemption identification number by the Department under
25 Section 1g of the Retailers' Occupation Tax Act. If the
26 property is leased in a manner that does not qualify for this

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

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

1 after the initial purchase of such a motor vehicle if that
2 motor vehicle is used in a manner that would qualify for the
3 rolling stock exemption otherwise provided for in this Act. For
4 purposes of this paragraph, the term "used for commercial
5 purposes" means the transportation of persons or property in
6 furtherance of any commercial or industrial enterprise,
7 whether for-hire or not.

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

15 (35) Building materials and personal property used in a
16 full service grocery store if those items qualify for an
17 exemption under the Food Desert Mitigation Act. This paragraph
18 is exempt from the provisions of Section 3-90.

19 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
20 eff. 1-1-08; 95-876, eff. 8-21-08.)

21 Section 10-15. The Service Use Tax Act is amended by
22 changing Section 3-5 as follows:

23 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

24 Sec. 3-5. Exemptions. Use of the following tangible

1 personal property is exempt from the tax imposed by this Act:

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

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

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

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

5 (5) Until July 1, 2003 and beginning again on September 1,
6 2004, graphic arts machinery and equipment, including repair
7 and replacement parts, both new and used, and including that
8 manufactured on special order or purchased for lease, certified
9 by the purchaser to be used primarily for graphic arts
10 production. Equipment includes chemicals or chemicals acting
11 as catalysts but only if the chemicals or chemicals acting as
12 catalysts effect a direct and immediate change upon a graphic
13 arts product.

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

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

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

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

18 Farm machinery and equipment also includes computers,
19 sensors, software, and related equipment used primarily in the
20 computer-assisted operation of production agriculture
21 facilities, equipment, and activities such as, but not limited
22 to, the collection, monitoring, and correlation of animal and
23 crop data for the purpose of formulating animal diets and
24 agricultural chemicals. This item (7) is exempt from the
25 provisions of Section 3-75.

26 (8) Fuel and petroleum products sold to or used by an air

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

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

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

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

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

5 (12) Until July 1, 2003, coal exploration, mining,
6 offhighway hauling, processing, maintenance, and reclamation
7 equipment, including replacement parts and equipment, and
8 including equipment purchased for lease, but excluding motor
9 vehicles required to be registered under the Illinois Vehicle
10 Code.

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

13 (14) Horses, or interests in horses, registered with and
14 meeting the requirements of any of the Arabian Horse Club
15 Registry of America, Appaloosa Horse Club, American Quarter
16 Horse Association, United States Trotting Association, or
17 Jockey Club, as appropriate, used for purposes of breeding or
18 racing for prizes. This item (14) is exempt from the provisions
19 of Section 3-75, and the exemption provided for under this item
20 (14) applies for all periods beginning May 30, 1995, but no
21 claim for credit or refund is allowed on or after the effective
22 date of this amendatory Act of the 95th General Assembly for
23 such taxes paid during the period beginning May 30, 2000 and
24 ending on the effective date of this amendatory Act of the 95th
25 General Assembly.

26 (15) Computers and communications equipment utilized for

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

22 (16) Personal property purchased by a lessor who leases the
23 property, under a lease of one year or longer executed or in
24 effect at the time the lessor would otherwise be subject to the
25 tax imposed by this Act, to a governmental body that has been
26 issued an active tax exemption identification number by the

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

16 (17) 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 for
19 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 (18) 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 the
3 performance of infrastructure repairs in this State, including
4 but not limited to municipal roads and streets, access roads,
5 bridges, sidewalks, waste disposal systems, water and sewer
6 line extensions, water distribution and purification
7 facilities, storm water drainage and retention facilities, and
8 sewage treatment facilities, resulting from a State or
9 federally declared disaster in Illinois or bordering Illinois
10 when such repairs are initiated on facilities located in the
11 declared disaster area within 6 months after the disaster.

12 (19) Beginning July 1, 1999, game or game birds purchased
13 at a "game breeding and hunting preserve area" or an "exotic
14 game hunting area" as those terms are used in the Wildlife Code
15 or at a hunting enclosure approved through rules adopted by the
16 Department of Natural Resources. This paragraph is exempt from
17 the provisions of Section 3-75.

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

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

10 (21) 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 3-75.

24 (22) 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 other

1 items, and replacement parts for these machines. Beginning
2 January 1, 2002 and through June 30, 2003, machines and parts
3 for machines used in commercial, coin-operated amusement and
4 vending business if a use or occupation tax is paid on the
5 gross receipts derived from the use of the commercial,
6 coin-operated amusement and vending machines. This paragraph
7 is exempt from the provisions of Section 3-75.

8 (23) Beginning August 23, 2001 and through June 30, 2011,
9 food for human consumption that is to be consumed off the
10 premises where it is sold (other than alcoholic beverages, soft
11 drinks, and food that has been prepared for immediate
12 consumption) and prescription and nonprescription medicines,
13 drugs, medical appliances, and insulin, urine testing
14 materials, syringes, and needles used by diabetics, for human
15 use, when purchased for use by a person receiving medical
16 assistance under Article 5 of the Illinois Public Aid Code who
17 resides in a licensed long-term care facility, as defined in
18 the Nursing Home Care Act.

19 (24) Beginning on the effective date of this amendatory Act
20 of the 92nd General Assembly, computers and communications
21 equipment utilized for any hospital purpose and equipment used
22 in the diagnosis, analysis, or treatment of hospital patients
23 purchased by a lessor who leases the equipment, under a lease
24 of one year or longer executed or in effect at the time the
25 lessor would otherwise be subject to the tax imposed by this
26 Act, to a hospital that has been issued an active tax exemption

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

17 (25) Beginning on the effective date of this amendatory Act
18 of the 92nd General Assembly, personal property purchased by a
19 lessor who leases the property, under a lease of one year or
20 longer executed or in effect at the time the lessor would
21 otherwise be subject to the tax imposed by this Act, to a
22 governmental body that has been issued an active tax exemption
23 identification number by the Department under Section 1g of the
24 Retailers' Occupation Tax Act. If the property is leased in a
25 manner that does not qualify for this exemption or is used in
26 any other nonexempt manner, the lessor shall be liable for the

1 tax imposed under this Act or the Use Tax Act, as the case may
2 be, based on the fair market value of the property at the time
3 the nonqualifying use occurs. No lessor shall collect or
4 attempt to collect an amount (however designated) that purports
5 to reimburse that lessor for the tax imposed by this Act or the
6 Use Tax Act, as the case may be, if the tax has not been paid by
7 the lessor. If a lessor improperly collects any such amount
8 from the lessee, the lessee shall have a legal right to claim a
9 refund of that amount from the lessor. If, however, that amount
10 is not refunded to the lessee for any reason, the lessor is
11 liable to pay that amount to the Department. This paragraph is
12 exempt from the provisions of Section 3-75.

13 (26) Beginning January 1, 2008, tangible personal property
14 used in the construction or maintenance of a community water
15 supply, as defined under Section 3.145 of the Environmental
16 Protection Act, that is operated by a not-for-profit
17 corporation that holds a valid water supply permit issued under
18 Title IV of the Environmental Protection Act. This paragraph is
19 exempt from the provisions of Section 3-75.

20 (27) Building materials and personal property used in a
21 full service grocery store if those items qualify for an
22 exemption under the Food Desert Mitigation Act. This paragraph
23 is exempt from the provisions of Section 3-75.

24 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
25 eff. 1-1-08; 95-876, eff. 8-21-08.)

1 Section 10-20. The Service Occupation Tax Act is amended by
2 changing Section 3-5 as follows:

3 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

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

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

16 (3) Personal property purchased by any not-for-profit arts
17 or cultural organization that establishes, by proof required by
18 the Department by rule, that it has received an exemption under
19 Section 501(c)(3) of the Internal Revenue Code and that is
20 organized and operated primarily for the presentation or
21 support of arts or cultural programming, activities, or
22 services. These organizations include, but are not limited to,
23 music and dramatic arts organizations such as symphony
24 orchestras and theatrical groups, arts and cultural service
25 organizations, local arts councils, visual arts organizations,

1 and media arts organizations. On and after the effective date
2 of this amendatory Act of the 92nd General Assembly, however,
3 an entity otherwise eligible for this exemption shall not make
4 tax-free purchases unless it has an active identification
5 number issued by the Department.

6 (4) Legal tender, currency, medallions, or gold or silver
7 coinage issued by the State of Illinois, the government of the
8 United States of America, or the government of any foreign
9 country, and bullion.

10 (5) Until July 1, 2003 and beginning again on September 1,
11 2004, graphic arts machinery and equipment, including repair
12 and replacement parts, both new and used, and including that
13 manufactured on special order or purchased for lease, certified
14 by the purchaser to be used primarily for graphic arts
15 production. Equipment includes chemicals or chemicals acting
16 as catalysts but only if the chemicals or chemicals acting as
17 catalysts effect a direct and immediate change upon a graphic
18 arts product.

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

22 (7) Farm machinery and equipment, both new and used,
23 including that manufactured on special order, certified by the
24 purchaser to be used primarily for production agriculture or
25 State or federal agricultural programs, including individual
26 replacement parts for the machinery and equipment, including

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

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

23 Farm machinery and equipment also includes computers,
24 sensors, software, and related equipment used primarily in the
25 computer-assisted operation of production agriculture
26 facilities, equipment, and activities such as, but not limited

1 to, the collection, monitoring, and correlation of animal and
2 crop data for the purpose of formulating animal diets and
3 agricultural chemicals. This item (7) is exempt from the
4 provisions of Section 3-55.

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

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

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

1 equipment purchased for lease; but excluding motor vehicles
2 required to be registered under the Illinois Vehicle Code.

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

8 (12) Until July 1, 2003, coal exploration, mining,
9 offhighway hauling, processing, maintenance, and reclamation
10 equipment, including replacement parts and equipment, and
11 including equipment purchased for lease, but excluding motor
12 vehicles required to be registered under the Illinois Vehicle
13 Code.

14 (13) Beginning January 1, 1992 and through June 30, 2011,
15 food for human consumption that is to be consumed off the
16 premises where it is sold (other than alcoholic beverages, soft
17 drinks and food that has been prepared for immediate
18 consumption) and prescription and non-prescription medicines,
19 drugs, medical appliances, and insulin, urine testing
20 materials, syringes, and needles used by diabetics, for human
21 use, when purchased for use by a person receiving medical
22 assistance under Article 5 of the Illinois Public Aid Code who
23 resides in a licensed long-term care facility, as defined in
24 the Nursing Home Care Act.

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

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

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

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

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

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

23 (20) Beginning July 1, 1999, game or game birds sold at a
24 "game breeding and hunting preserve area" or an "exotic game
25 hunting area" as those terms are used in the Wildlife Code or
26 at a hunting enclosure approved through rules adopted by the

1 Department of Natural Resources. This paragraph is exempt from
2 the provisions of Section 3-55.

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

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

1 parents and teachers of the school children. This paragraph
2 does not apply to fundraising events (i) for the benefit of
3 private home instruction or (ii) for which the fundraising
4 entity purchases the personal property sold at the events from
5 another individual or entity that sold the property for the
6 purpose of resale by the fundraising entity and that profits
7 from the sale to the fundraising entity. This paragraph is
8 exempt from the provisions of Section 3-55.

9 (23) Beginning January 1, 2000 and through December 31,
10 2001, new or used automatic vending machines that prepare and
11 serve hot food and beverages, including coffee, soup, and other
12 items, and replacement parts for these machines. Beginning
13 January 1, 2002 and through June 30, 2003, machines and parts
14 for machines used in commercial, coin-operated amusement and
15 vending business if a use or occupation tax is paid on the
16 gross receipts derived from the use of the commercial,
17 coin-operated amusement and vending machines. This paragraph
18 is exempt from the provisions of Section 3-55.

19 (24) Beginning on the effective date of this amendatory Act
20 of the 92nd General Assembly, computers and communications
21 equipment utilized for any hospital purpose and equipment used
22 in the diagnosis, analysis, or treatment of hospital patients
23 sold to a lessor who leases the equipment, under a lease of one
24 year or longer executed or in effect at the time of the
25 purchase, to a hospital that has been issued an active tax
26 exemption identification number by the Department under

1 Section 1g of the Retailers' Occupation Tax Act. This paragraph
2 is exempt from the provisions of Section 3-55.

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

11 (26) Beginning on January 1, 2002 and through June 30,
12 2011, tangible personal property purchased from an Illinois
13 retailer by a taxpayer engaged in centralized purchasing
14 activities in Illinois who will, upon receipt of the property
15 in Illinois, temporarily store the property in Illinois (i) for
16 the purpose of subsequently transporting it outside this State
17 for use or consumption thereafter solely outside this State or
18 (ii) for the purpose of being processed, fabricated, or
19 manufactured into, attached to, or incorporated into other
20 tangible personal property to be transported outside this State
21 and thereafter used or consumed solely outside this State. The
22 Director of Revenue shall, pursuant to rules adopted in
23 accordance with the Illinois Administrative Procedure Act,
24 issue a permit to any taxpayer in good standing with the
25 Department who is eligible for the exemption under this
26 paragraph (26). The permit issued under this paragraph (26)

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

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

15 (28) Building materials and personal property used in a
16 full service grocery store if those items qualify for an
17 exemption under the Food Desert Mitigation Act. This paragraph
18 is exempt from the provisions of Section 3-55.

19 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
20 eff. 1-1-08; 95-876, eff. 8-21-08.)

21 Section 10-25. The Retailers' Occupation Tax Act is amended
22 by changing Section 2-5 as follows:

23 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

24 Sec. 2-5. Exemptions. Gross receipts from proceeds from the

1 sale of the following tangible personal property are exempt
2 from the tax imposed by this Act:

3 (1) Farm chemicals.

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

23 Farm machinery and equipment shall include precision
24 farming equipment that is installed or purchased to be
25 installed on farm machinery and equipment including, but not
26 limited to, tractors, harvesters, sprayers, planters, seeders,

1 or spreaders. Precision farming equipment includes, but is not
2 limited to, soil testing sensors, computers, monitors,
3 software, global positioning and mapping systems, and other
4 such equipment.

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in the
7 computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not limited
9 to, the collection, monitoring, and correlation of animal and
10 crop data for the purpose of formulating animal diets and
11 agricultural chemicals. This item (7) is exempt from the
12 provisions of Section 2-70.

13 (3) 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 (4) Until July 1, 2003 and beginning again September 1,
20 2004, graphic arts machinery and equipment, including repair
21 and replacement parts, both new and used, and including that
22 manufactured on special order or purchased for lease, certified
23 by the purchaser to be used primarily for graphic arts
24 production. Equipment includes chemicals or chemicals acting
25 as catalysts but only if the chemicals or chemicals acting as
26 catalysts effect a direct and immediate change upon a graphic

1 arts product.

2 (5) A motor vehicle of the first division, a motor vehicle
3 of the second division that is a self contained motor vehicle
4 designed or permanently converted to provide living quarters
5 for recreational, camping, or travel use, with direct walk
6 through access to the living quarters from the driver's seat,
7 or a motor vehicle of the second division that is of the van
8 configuration designed for the transportation of not less than
9 7 nor more than 16 passengers, as defined in Section 1-146 of
10 the Illinois Vehicle Code, that is used for automobile renting,
11 as defined in the Automobile Renting Occupation and Use Tax
12 Act. This paragraph is exempt from the provisions of Section
13 2-70.

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

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

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

23 (9) Personal property sold to a not-for-profit arts or
24 cultural organization that establishes, by proof required by
25 the Department by rule, that it has received an exemption under
26 Section 501(c)(3) of the Internal Revenue Code and that is

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

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

19 (11) Personal property sold to a governmental body, to a
20 corporation, society, association, foundation, or institution
21 organized and operated exclusively for charitable, religious,
22 or educational purposes, or to a not-for-profit corporation,
23 society, association, foundation, institution, or organization
24 that has no compensated officers or employees and that is
25 organized and operated primarily for the recreation of persons
26 55 years of age or older. A limited liability company may

1 qualify for the exemption under this paragraph only if the
2 limited liability company is organized and operated
3 exclusively for educational purposes. On and after July 1,
4 1987, however, no entity otherwise eligible for this exemption
5 shall make tax-free purchases unless it has an active
6 identification number issued by the Department.

7 (12) Tangible personal property sold to interstate
8 carriers for hire for use as rolling stock moving in interstate
9 commerce or to lessors under leases of one year or longer
10 executed or in effect at the time of purchase by interstate
11 carriers for hire for use as rolling stock moving in interstate
12 commerce and equipment operated by a telecommunications
13 provider, licensed as a common carrier by the Federal
14 Communications Commission, which is permanently installed in
15 or affixed to aircraft moving in interstate commerce.

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

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

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

15 (14) Machinery and equipment that will be used by the
16 purchaser, or a lessee of the purchaser, primarily in the
17 process of manufacturing or assembling tangible personal
18 property for wholesale or retail sale or lease, whether the
19 sale or lease is made directly by the manufacturer or by some
20 other person, whether the materials used in the process are
21 owned by the manufacturer or some other person, or whether the
22 sale or lease is made apart from or as an incident to the
23 seller's engaging in the service occupation of producing
24 machines, tools, dies, jigs, patterns, gauges, or other similar
25 items of no commercial value on special order for a particular
26 purchaser.

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

8 (16) Petroleum products sold to a purchaser if the seller
9 is prohibited by federal law from charging tax to the
10 purchaser.

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

19 (18) 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 (19) Until July 1 2003, oil field exploration, drilling,
24 and production equipment, including (i) rigs and parts of rigs,
25 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and
26 tubular goods, including casing and drill strings, (iii) pumps

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

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

11 (21) Until July 1, 2003, coal exploration, mining,
12 offhighway hauling, processing, maintenance, and reclamation
13 equipment, including replacement parts and equipment, and
14 including equipment purchased for lease, but excluding motor
15 vehicles required to be registered under the Illinois Vehicle
16 Code.

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

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

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

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

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

1 which the purchaser is a resident, except that the tax shall
2 not exceed the tax that would otherwise be imposed under this
3 Act. At the time of the sale, the purchaser shall execute a
4 statement, signed under penalty of perjury, of his or her
5 intent to title the vehicle in the state in which the purchaser
6 is a resident within 30 days after the sale and of the fact of
7 the payment to the State of Illinois of tax in an amount
8 equivalent to the state's rate of tax on taxable property in
9 his or her state of residence and shall submit the statement to
10 the appropriate tax collection agency in his or her state of
11 residence. In addition, the retailer must retain a signed copy
12 of the statement in his or her records. Nothing in this item
13 shall be construed to require the removal of the vehicle from
14 this state following the filing of an intent to title the
15 vehicle in the purchaser's state of residence if the purchaser
16 titles the vehicle in his or her state of residence within 30
17 days after the date of sale. The tax collected under this Act
18 in accordance with this item (25-5) shall be proportionately
19 distributed as if the tax were collected at the 6.25% general
20 rate imposed under this Act.

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

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

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

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

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

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

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

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

26 This paragraph (25-7) is exempt from the provisions of

1 Section 2-70.

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

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

16 (28) Computers and communications equipment utilized for
17 any hospital purpose and equipment used in the diagnosis,
18 analysis, or treatment of hospital patients sold to a lessor
19 who leases 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 of
23 this Act.

24 (29) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or in
26 effect at the time of the purchase, to a governmental body that

1 has been issued an active tax exemption identification number
2 by the Department under Section 1g of this Act.

3 (30) 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 for
6 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 (31) 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 the
16 performance of infrastructure repairs in this State, including
17 but not limited to municipal roads and streets, access roads,
18 bridges, sidewalks, waste disposal systems, water and sewer
19 line extensions, water distribution and purification
20 facilities, storm water drainage and retention facilities, and
21 sewage treatment facilities, resulting from a State or
22 federally declared disaster in Illinois or bordering Illinois
23 when such repairs are initiated on facilities located in the
24 declared disaster area within 6 months after the disaster.

25 (32) Beginning July 1, 1999, game or game birds sold at a
26 "game breeding and hunting preserve area" or an "exotic game

1 hunting area" as those terms are used in the Wildlife Code or
2 at a hunting enclosure approved through rules adopted by the
3 Department of Natural Resources. This paragraph is exempt from
4 the provisions of Section 2-70.

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

23 (34) 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 2-70.

11 (35) 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 other
14 items, and replacement parts for these machines. Beginning
15 January 1, 2002 and through June 30, 2003, machines and parts
16 for machines used in commercial, coin-operated amusement and
17 vending business if a use or occupation tax is paid on the
18 gross receipts derived from the use of the commercial,
19 coin-operated amusement and vending machines. This paragraph
20 is exempt from the provisions of Section 2-70.

21 (35-5) Beginning August 23, 2001 and through June 30, 2011,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages, soft
24 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 5 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.

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

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

22 (38) Beginning on January 1, 2002 and through June 30,
23 2011, tangible personal property purchased from an Illinois
24 retailer by a taxpayer engaged in centralized purchasing
25 activities in Illinois who will, upon receipt of the property
26 in Illinois, temporarily store the property in Illinois (i) for

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

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

26 (40) Building materials and personal property used in a

1 full service grocery store if those items qualify for an
2 exemption under the Food Desert Mitigation Act. This paragraph
3 is exempt from the provisions of Section 2-70.

4 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-233,
5 eff. 8-16-07; 95-304, eff. 8-20-07; 95-538, eff. 1-1-08;
6 95-707, eff. 1-11-08; 95-876, eff. 8-21-08.)

7 Section 10-30. The Gas Revenue Tax Act is amended by adding
8 Section 16 as follows:

9 (35 ILCS 615/16 new)

10 Sec. 16. Food desert mitigation credit. Credits may be
11 awarded against the tax imposed under this Act as provided in
12 the Food Desert Mitigation Act. This Section is exempt from the
13 provisions of Section 2a.3.

14 Section 10-35. The Electricity Excise Tax Law is amended by
15 adding Section 2-18 as follows:

16 (35 ILCS 640/2-18 new)

17 Sec. 2-18. Food desert mitigation credit. Credits may be
18 awarded against the tax imposed under this Act as provided in
19 the Food Desert Mitigation Act. This Section is exempt from the
20 provisions of Section 2-6.

1 Section 99-99. Effective date. This Act takes effect upon
2 becoming law.".