

ILLINOIS REGISTER  
DEPARTMENT OF REVENUE  
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Retailers' Occupation Tax
- 2) Code Citation: 86 Ill. Adm. Code 130
- 3) Section Numbers:                      Proposed Actions:  
130.120    Amendment  
130.341    Repealed
- 4) Statutory Authority: Implementing the Illinois Retailers' Occupation Tax Act [35 ILCS 120] and authorized by Sections 2505-25 and 2505-795 of the Department of Revenue Law [20 ILCS 2505/] Civil Administrative Code of Illinois. (Department of Revenue Law)
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking amends 86 Ill. Adm. Code 130.120 to update the list of exemptions from the Retailers' Occupation Tax with additions made by Public Acts 103-0384 and 103-0643 for active-duty military and home-delivered meals. This rulemaking repeals 86 Ill. Adm. Code 130.341 as those exemptions ended in 2005. This rulemaking also contains technical corrections to statutory text and citations.
- 6) Published studies or reports, and sources of underlying data, used to compose this rulemaking: None
- 7) Will this proposed rulemaking replace an emergency rule currently in effect? No
- 8) Does this rulemaking contain an automatic repeal date? No
- 9) Does this proposed rulemaking contain incorporations by reference? No
- 10) Are there any other proposed rulemakings pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Actions</u>	<u>Illinois Register Citations</u>
130.305	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.1415	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.1955	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.1970	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.2100	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.2110	Amendment	48 Ill. Reg. 13979; September 20, 2024
130.801	Amendment	48 Ill. Reg. 14233; October 4, 2024
130.805	Amendment	48 Ill. Reg. 14233; October 4, 2024
130.810	Amendment	48 Ill. Reg. 14233; October 4, 2024
130.820	Amendment	48 Ill. Reg. 14233; October 4, 2024

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130.825	Amendment	48 Ill. Reg. 14233; October 4, 2024
130.541	New Section	48 Ill. Reg. 15268; November 1, 2024
130.2532	New Section	48 Ill. Reg. ____; December 6, 2024

11) Statement of Statewide Policy Objectives: These rules do not create or enlarge a mandate as described in Section 3(b) of the State Mandates Act.

12) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rulemaking may submit them in writing by no later than 45 days after publication of this Notice to:

Kimberly Rossini  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson  
Springfield, Illinois 62794

(217) 782-7055  
REV.GCO@illinois.gov

13) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not-for-profit corporations affected: Persons who make sales of tangible personal property at retail and for resale are affected.

B) Reporting, bookkeeping or other procedures required for compliance: Basic accounting and computer skills.

C) Types of professional skills necessary for compliance: Basic accounting and computer skills.

14) Small Business Impact Analysis:

A) Types of businesses subject to the proposed rule:

42 Wholesale Trade  
44-45 Retail Trade

B) Categories that the agency reasonably believes the rulemaking will impact, including:

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- iii. purchasing;
- iv. insurance charges

15) Regulatory Agenda on which this rulemaking was summarized: July 2024

The full text of the Proposed Amendments begins on the next page:

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TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE

PART 130  
RETAILERS' OCCUPATION TAX

SUBPART A: NATURE OF TAX

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130.101	Character and Rate of Tax
130.105	Responsibility of Trustees, Receivers, Executors or Administrators
130.110	Occasional Sales
130.111	Sale of Used Motor Vehicles, Aircraft, or Watercraft by Leasing or Rental Business
130.115	Habitual Sales
130.120	Nontaxable Transactions

SUBPART B: SALE AT RETAIL

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130.201	The Test of a Sale at Retail
130.205	Sales for Transfer Incident to Service
130.210	Sales of Tangible Personal Property to Purchasers for Resale
130.215	Illustrations of Sales for Use or Consumption Versus Sales for Resale
130.220	Sales to Lessors of Tangible Personal Property
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SUBPART C: CERTAIN STATUTORY EXEMPTIONS

Section	
130.305	Farm Machinery and Equipment
130.310	Food, Soft Drinks and Candy
130.311	Drugs, Medicines, Medical Appliances, and Grooming and Hygiene Products
130.315	Fuel Sold for Use in Vessels on Rivers Bordering Illinois
130.320	Gasohol, Majority Blended Ethanol, Biodiesel Blends, and 100% Biodiesel
130.321	Fuel Used by Air Common Carriers in Flights Engaged in Foreign Trade or Engaged in Trade Between the United States and any of its Possessions
130.325	Graphic Arts Machinery and Equipment Exemption
130.330	Manufacturing Machinery and Equipment
130.331	Manufacturer's Purchase Credit
130.332	Automatic Vending Machines

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- 130.333 Sustainable Aviation Fuel Purchase Credit
- 130.335 Pollution Control Facilities and Low Sulfur Dioxide Emission Coal-Fueled Devices
- 130.340 Rolling Stock
- 130.341 Commercial Distribution Fee Sales Tax Exemption (Repealed)
- 130.345 Oil Field Exploration, Drilling and Production Equipment
- 130.350 Coal Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment
- 130.351 Aggregate Exploration, Mining, Off Highway Hauling, Processing, Maintenance and Reclamation Equipment

SUBPART D: GROSS RECEIPTS

Section

- 130.401 Meaning of Gross Receipts
- 130.405 How to Avoid Paying Tax on State or Local Tax Passed on to the Purchaser
- 130.410 Cost of Doing Business Not Deductible
- 130.415 Transportation and Delivery Charges
- 130.420 Finance or Interest Charges – Penalties – Discounts
- 130.425 Traded-In Property
- 130.430 Deposit or Prepayment on Purchase Price
- 130.435 State and Local Taxes Other Than Retailers' Occupation Tax
- 130.440 Penalties
- 130.445 Federal Taxes
- 130.450 Installation, Alteration and Special Service Charges
- 130.455 Motor Vehicle Leasing and Trade-In Allowances

SUBPART E: RETURNS

Section

- 130.501 Monthly Tax Returns – When Due – Contents
- 130.502 Quarterly Tax Returns
- 130.505 Returns and How to Prepare
- 130.510 Annual Tax Returns
- 130.515 First Return
- 130.520 Final Returns When Business is Discontinued
- 130.525 Who May Sign Returns
- 130.530 Returns Covering More Than One Location Under Same Registration -- Separate Returns for Separately Registered Locations
- 130.535 Payment of the Tax, Including Quarter Monthly Payments in Certain Instances

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- 130.540 Returns on a Transaction by Transaction Basis
- 130.545 Registrants Must File a Return for Every Return Period
- 130.550 Filing of Returns for Retailers by Suppliers Under Certain Circumstances
- 130.551 Prepayment of Retailers' Occupation Tax on Motor Fuel
- 130.552 Alcoholic Liquor Reporting
- 130.555 Vending Machine Information Returns
- 130.560 Verification of Returns

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- 130.605 Sales of Property Originating in Illinois; Questions of Interstate Commerce
- 130.610 Sales of Property Originating in Other States (Repealed)

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SUBPART H: BOOKS AND RECORDS

- Section
- 130.801 Books and Records - General Requirements
- 130.805 What Records Constitute Minimum Requirement
- 130.810 Records Required to Support Deductions
- 130.815 Preservation and Retention of Records
- 130.820 Preservation of Books During Pendency of Assessment Proceedings
- 130.825 Department Authorization to Destroy Records Sooner Than Would Otherwise be Permissible

SUBPART I: PENALTIES AND INTEREST

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Section  
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SUBPART J: BINDING OPINIONS

Section  
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SUBPART K: SELLERS LOCATED ON, OR SHIPPING TO, FEDERAL AREAS

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130.1101 Definition of Federal Area  
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SUBPART L: TIMELY MAILING TREATED AS TIMELY FILING AND PAYING

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SUBPART M: LEASED PORTIONS OF LESSOR'S BUSINESS SPACE

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SUBPART N: SALES FOR RESALE

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130.1401 Seller's Responsibility to Determine the Character of the Sale at the Time of the Sale  
130.1405 Seller's Responsibility to Obtain Certificates of Resale and Requirements for Certificates of Resale  
130.1410 Requirements for Certificates of Resale (Repealed)

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- 130.1415 Resale Number – When Required and How Obtained
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SUBPART O: CLAIMS TO RECOVER ERRONEOUSLY PAID TAX

Section

- 130.1501 Claims for Credit – Limitations – Procedure
- 130.1505 Disposition of Credit Memoranda by Holders Thereof
- 130.1510 Refunds
- 130.1515 Interest
- 130.1520 Verified Credit

SUBPART P: PROCEDURE TO BE FOLLOWED UPON SELLING OUT OR  
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Section

- 130.1601 When Returns are Required After a Business is Discontinued
- 130.1605 When Returns Are Not Required After Discontinuation of a Business
- 130.1610 Cross Reference to Bulk Sales Regulation

SUBPART Q: NOTICE OF SALES OF GOODS IN BULK

Section

- 130.1701 Bulk Sales: Notices of Sales of Business Assets

SUBPART R: POWER OF ATTORNEY

Section

- 130.1801 When Powers of Attorney May be Given
- 130.1805 Filing of Power of Attorney With Department
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- 130.1901 Addition Agents to Plating Baths
- 130.1905 Agricultural Producers
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- 130.1930 Chiropractors, Osteopaths, and Chiropractors
- 130.1934 Community Water Supply
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- 130.1940 Construction Contractors and Real Estate Developers
- 130.1945 Co-operative Associations
- 130.1946 Tangible Personal Property Used or Consumed in Graphic Arts Production within Enterprise Zones Located in a County of more than 4,000 Persons and less than 45,000 Persons
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- 130.1951 Sales of Building Materials Incorporated into Real Estate within Enterprise Zones
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- 130.1954 Sales of Building Materials Incorporated into Real Estate within River Edge Redevelopment Zones
- 130.1955 Farm Chemicals
- 130.1956 Dentists
- 130.1957 Tangible Personal Property Used in the Construction or Operation of Data Centers
- 130.1960 Finance Companies and Other Lending Agencies – Installment Contracts – Bad Debts
- 130.1965 Florists and Nurserymen
- 130.1970 Hatcheries
- 130.1971 Sellers of Pets and the Like
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- 130.1990 Peddlers, Hawkers, and Itinerant Vendors
- 130.1995 Personalizing Tangible Personal Property
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- 130.2008 Sales by Nonprofit Service Enterprises
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- 130.2155 Tax Liability of Sign Vendors
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- 130.2505 Qualifying Transactions, Non-transferability of Permit
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- 130.2515 Application for Permit
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AUTHORITY: Implementing the Illinois Retailers' Occupation Tax Act [35 ILCS 120] and authorized by Sections 2505-25 and 2505-795 of the Civil Administrative Code of Illinois. (Department of Revenue Law) [20 ILCS 2505].

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SOURCE: Adopted July 1, 1933; amended at 2 Ill. Reg. 50, p. 71, effective December 10, 1978; amended at 3 Ill. Reg. 12, p. 4, effective March 19, 1979; amended at 3 Ill. Reg. 13, pp. 93 and 95, effective March 25, 1979; amended at 3 Ill. Reg. 23, p. 164, effective June 3, 1979; amended at 3 Ill. Reg. 25, p. 229, effective June 17, 1979; amended at 3 Ill. Reg. 44, p. 193, effective October 19, 1979; amended at 3 Ill. Reg. 46, p. 52, effective November 2, 1979; amended at 4 Ill. Reg. 24, pp. 520, 539, 564 and 571, effective June 1, 1980; amended at 5 Ill. Reg. 818, effective January 2, 1981; amended at 5 Ill. Reg. 3014, effective March 11, 1981; amended at 5 Ill. Reg. 12782, effective November 2, 1981; amended at 6 Ill. Reg. 2860, effective March 3, 1982; amended at 6 Ill. Reg. 6780, effective May 24, 1982; codified at 6 Ill. Reg. 8229; recodified at 6 Ill. Reg. 8999; amended at 6 Ill. Reg. 15225, effective December 3, 1982; amended at 7 Ill. Reg. 7990, effective June 15, 1983; amended at 8 Ill. Reg. 5319, effective April 11, 1984; amended at 8 Ill. Reg. 19062, effective September 26, 1984; amended at 10 Ill. Reg. 1937, effective January 10, 1986; amended at 10 Ill. Reg. 12067, effective July 1, 1986; amended at 10 Ill. Reg. 19538, effective November 5, 1986; amended at 10 Ill. Reg. 19772, effective November 5, 1986; amended at 11 Ill. Reg. 4325, effective March 2, 1987; amended at 11 Ill. Reg. 6252, effective March 20, 1987; amended at 11 Ill. Reg. 18284, effective October 27, 1987; amended at 11 Ill. Reg. 18767, effective October 28, 1987; amended at 11 Ill. Reg. 19138, effective October 29, 1987; amended at 11 Ill. Reg. 19696, effective November 23, 1987; amended at 12 Ill. Reg. 5652, effective March 15, 1988; emergency amendment at 12 Ill. Reg. 14401, effective September 1, 1988, for a maximum of 150 days, modified in response to an objection of the Joint Committee on Administrative Rules at 12 Ill. Reg. 19531, effective November 4, 1988, not to exceed the 150 day time limit of the original rulemaking; emergency expired January 29, 1989; amended at 13 Ill. Reg. 11824, effective June 29, 1989; amended at 14 Ill. Reg. 241, effective December 21, 1989; amended at 14 Ill. Reg. 872, effective January 1, 1990; amended at 14 Ill. Reg. 15463, effective September 10, 1990; amended at 14 Ill. Reg. 16028, effective September 18, 1990; amended at 15 Ill. Reg. 6621, effective April 17, 1991; amended at 15 Ill. Reg. 13542, effective August 30, 1991; amended at 15 Ill. Reg. 15757, effective October 15, 1991; amended at 16 Ill. Reg. 1642, effective January 13, 1992; amended at 17 Ill. Reg. 860, effective January 11, 1993; amended at 17 Ill. Reg. 18142, effective October 4, 1993; amended at 17 Ill. Reg. 19651, effective November 2, 1993; amended at 18 Ill. Reg. 1537, effective January 13, 1994; amended at 18 Ill. Reg. 16866, effective November 7, 1994; amended at 19 Ill. Reg. 13446, effective September 12, 1995; amended at 19 Ill. Reg. 13568, effective September 11, 1995; amended at 19 Ill. Reg. 13968, effective September 18, 1995; amended at 20 Ill. Reg. 4428, effective March 4, 1996; amended at 20 Ill. Reg. 5366, effective March 26, 1996; amended at 20 Ill. Reg. 6991, effective May 7, 1996; amended at 20 Ill. Reg. 9116, effective July 2, 1996; amended at 20 Ill. Reg. 15753, effective December 2, 1996; expedited correction at 21 Ill. Reg. 4052, effective December 2, 1996; amended at 20 Ill. Reg. 16200, effective December 16, 1996; amended at 21 Ill. Reg. 12211, effective August 26, 1997;

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amended at 22 Ill. Reg. 3097, effective January 27, 1998; amended at 22 Ill. Reg. 11874, effective June 29, 1998; amended at 22 Ill. Reg. 19919, effective October 28, 1998; amended at 22 Ill. Reg. 21642, effective November 25, 1998; amended at 23 Ill. Reg. 9526, effective July 29, 1999; amended at 23 Ill. Reg. 9898, effective August 9, 1999; amended at 24 Ill. Reg. 10713, effective July 7, 2000; emergency amendment at 24 Ill. Reg. 11313, effective July 12, 2000, for a maximum of 150 days; amended at 24 Ill. Reg. 15104, effective October 2, 2000; amended at 24 Ill. Reg. 18376, effective December 1, 2000; amended at 25 Ill. Reg. 941, effective January 8, 2001; emergency amendment at 25 Ill. Reg. 1792, effective January 16, 2001, for a maximum of 150 days; amended at 25 Ill. Reg. 4674, effective March 15, 2001; amended at 25 Ill. Reg. 4950, effective March 19, 2001; amended at 25 Ill. Reg. 5398, effective April 2, 2001; amended at 25 Ill. Reg. 6515, effective May 3, 2001; expedited correction at 25 Ill. Reg. 15681, effective May 3, 2001; amended at 25 Ill. Reg. 6713, effective May 9, 2001; amended at 25 Ill. Reg. 7264, effective May 25, 2001; amended at 25 Ill. Reg. 10917, effective August 13, 2001; amended at 25 Ill. Reg. 12841, effective October 1, 2001; amended at 26 Ill. Reg. 958, effective January 15, 2002; amended at 26 Ill. Reg. 1303, effective January 17, 2002; amended at 26 Ill. Reg. 3196, effective February 13, 2002; amended at 26 Ill. Reg. 5369, effective April 1, 2002; amended at 26 Ill. Reg. 5946, effective April 15, 2002; amended at 26 Ill. Reg. 8423, effective May 24, 2002; amended at 26 Ill. Reg. 9885, effective June 24, 2002; amended at 27 Ill. Reg. 795, effective January 3, 2003; emergency amendment at 27 Ill. Reg. 11099, effective July 7, 2003, for a maximum of 150 days; emergency expired December 3, 2003; amended at 27 Ill. Reg. 17216, effective November 3, 2003; emergency amendment at 27 Ill. Reg. 18911, effective November 26, 2003, for a maximum of 150 days; emergency expired April 23, 2004; amended at 28 Ill. Reg. 9121, effective June 18, 2004; amended at 28 Ill. Reg. 11268, effective July 21, 2004; emergency amendment at 28 Ill. Reg. 15193, effective November 3, 2004, for a maximum of 150 days; emergency expired April 1, 2005; amended at 29 Ill. Reg. 7004, effective April 26, 2005; amended at 31 Ill. Reg. 3574, effective February 16, 2007; amended at 31 Ill. Reg. 5621, effective March 23, 2007; amended at 31 Ill. Reg. 13004, effective August 21, 2007; amended at 31 Ill. Reg. 14091, effective September 21, 2007; amended at 32 Ill. Reg. 4226, effective March 6, 2008; emergency amendment at 32 Ill. Reg. 8785, effective May 29, 2008, for a maximum of 150 days; emergency expired October 25, 2008; amended at 32 Ill. Reg. 10207, effective June 24, 2008; amended at 32 Ill. Reg. 17228, effective October 15, 2008; amended at 32 Ill. Reg. 17519, effective October 24, 2008; amended at 32 Ill. Reg. 19128, effective December 1, 2008; amended at 33 Ill. Reg. 1762, effective January 13, 2009; amended at 33 Ill. Reg. 2345, effective January 23, 2009; amended at 33 Ill. Reg. 3999, effective February 23, 2009; amended at 33 Ill. Reg. 15781, effective October 27, 2009; amended at 33 Ill. Reg. 16711, effective November 20, 2009; amended at 34 Ill. Reg. 9405, effective June 23, 2010; amended at 34 Ill. Reg. 12935, effective August 19, 2010; amended at 35 Ill. Reg. 2169, effective January 24, 2011; amended at 36 Ill. Reg. 6662, effective April 12, 2012; amended at 38 Ill. Reg.

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12909, effective June 9, 2014; amended at 38 Ill. Reg. 17060, effective July 25, 2014; amended at 38 Ill. Reg. 17421, effective July 31, 2014; amended at 38 Ill. Reg. 17756, effective August 6, 2014; amended at 38 Ill. Reg. 19998, effective October 1, 2014; amended at 39 Ill. Reg. 1793, effective January 12, 2015; amended at 39 Ill. Reg. 12597, effective August 26, 2015; amended at 39 Ill. Reg. 14616, effective October 22, 2015; amended at 40 Ill. Reg. 6130, effective April 1, 2016; amended at 40 Ill. Reg. 13448, effective September 9, 2016; amended at 41 Ill. Reg. 10721, effective August 1, 2017; amended at 42 Ill. Reg. 2850, effective January 26, 2018; amended at 43 Ill. Reg. 4201, effective March 20, 2019; amended at 43 Ill. Reg. 5069, effective April 17, 2019; amended at 43 Ill. Reg. 8865, effective July 30, 2019; emergency amendment at 43 Ill. Reg. 9841, effective August 21, 2019, for a maximum of 150 days; emergency amendment at 44 Ill. Reg. 552, effective December 27, 2019, for a maximum of 150 days; emergency expired May 24, 2020; emergency amendment at 44 Ill. Reg. 2055, effective January 13, 2020, for a maximum of 180 days; amended at 44 Ill. Reg. 5392, effective March 16, 2020; amended at 44 Ill. Reg. 10981, effective June 10, 2020; amended at 44 Ill. Reg. 13975, effective August 11, 2020; amended at 45 Ill. Reg. 352, effective December 21, 2020; amended at 45 Ill. Reg. 7248, effective June 3, 2021; amended at 45 Ill. Reg. 14464, effective November 2, 2021; amended at 45 Ill. Reg. 16058, effective December 3, 2021; amended at 46 Ill. Reg. 6745, effective April 12, 2022; amended at 46 Ill. Reg. 7785, effective April 26, 2022; amended at 46 Ill. Reg. 10905, effective June 7, 2022; amended at 46 Ill. Reg. 15336, effective August 23, 2022; amended at 46 Ill. Reg. 18120, effective October 25, 2022; amended at 46 Ill. Reg. 18827, effective November 1, 2022; amended at 47 Ill. Reg. 1426, effective January 17, 2023; amended at 47 Ill. Reg. 2116, effective January 24, 2023; amended at 47 Ill. Reg. 5751, effective April 4, 2023; amended at 47 Ill. Reg. 6068, effective April 12, 2023; amended at 47 Ill. Reg. 6309, effective April 18, 2023; amended at 47 Ill. Reg. 19135, effective December 6, 2023; amended at 47 Ill. Reg. 19349, effective December 12, 2023; amended at 48 Ill. Reg. 1870, effective January 18, 2024; amended at 48 Ill. Reg. 2856, effective February 8, 2024; amended at 48 Ill. Reg. 10646, effective July 2, 2024; amended at 48 Ill. Reg. 14779, effective September 25, 2024; amended at 48 Ill. Reg. 16529, effective November 4, 2024; amended at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART A: NATURE OF THE TAX

**Section 130.120 Nontaxable Transactions**

The tax does not apply to gross receipts from sales, which, on and after January 1, 2025, includes leases:

- a) of intangible personal property, such as shares of stocks, bonds, evidences of interest in property, corporate, or other franchises, and

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evidences of debt. These types of sales are outside the scope of the Retailers' Occupation Tax Act;

- b) of real property, such as lands and buildings that are permanently attached to the land. These types of sales are outside the scope of the Retailers' Occupation Tax Act;
- c) of tangible personal property for purposes of resale in any form as tangible personal property, provided that the purchaser, except in the case of an out-of-State purchaser who will always resell and deliver the property to customers outside Illinois, has an active registration number or active resale number from the Department and gives the number to the vendor in connection with certifying to the vendor that the sale to the purchaser is nontaxable on the ground of being a sale for resale. See Subparts B and N of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- d) of personal services, where rendered as such. See various rules relating to particular service occupations in Subpart S of this Part. However, for information concerning the tax on persons engaged in the business of making sales of service, see Part 140, Service Occupation Tax (86 Ill. Adm. Code 140). These types of sales are outside the scope of the Retailers' Occupation Tax Act;
- e) that are within the protection of the Commerce Clause of the Constitution of the United States. See Subpart F of this Part. These types of sales are outside the scope of the Retailers' Occupation Tax Act;
- f) that are isolated or occasional. See 35 ILCS 120/1 and Section 130.110 of this Subpart. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- g) of newspapers and magazines. See 35 ILCS 120/1 and Section 130.2105 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- h) of *personal property sold to a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, or to a not-for-profit corporation, society, association, foundation, institution, or organization that has no compensated officers or employees and that is organized and operated primarily for the recreation of persons 55 years of age or older. A limited*

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*liability company may qualify for the exemption under this subsection only if the limited liability company is organized and operated exclusively for educational purposes. [35 ILCS 120/2-5(11)] See also Section 130.2005 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*

- i) *of personal property sold to a governmental body. [35 ILCS 120/2-5(11)] See also Section 130.2080 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- j) *of tangible personal property as low sulfur dioxide emission coal fueled devices. [35 ILCS 120/1a-1] See also Section 130.355 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- k) *of fuel consumed or used in the operation of ships, barges, or vessels that are used primarily in or for the transportation of property or the conveyance of persons for hire on rivers bordering on this State if the fuel is delivered by the seller to the purchaser's barge, ship, or vessel while it is afloat upon that bordering river. [35 ILCS 120/2-5(24)] See also Section 130.315 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- l) *of tangible personal property to interstate carriers for hire for use as rolling stock moving in interstate commerce. [35 ILCS 120/2-5(13)] See also Section 130.340 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- m) *of a motor vehicle sold in this State to a nonresident even though the motor vehicle is delivered to the nonresident in this State, if the motor vehicle is not to be titled in this State, and if a drive-away permit is issued to the motor vehicle as provided in Section 3-603 of the Illinois Vehicle Code [625 ILCS 5/3-603] or if the nonresident purchaser has vehicle registration plates to transfer to the motor vehicle upon returning to their home state. [35 ILCS 120/2-5(25)] The exemption does not apply if the state in which the motor vehicle will be titled does not allow a reciprocal exemption for a motor vehicle sold and delivered in that state to an Illinois resident but titled in Illinois. [35 ILCS 120/2-5(25-5)] See also Section 130.605 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*



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- n) until December 31, 2001, of merchandise in bulk when sold from a vending machine for 1¢; on and after January 1, 2002, of merchandise in bulk when sold from a vending machine for 50¢ or less. See 35 ILCS 120/1 and Section 130.2135 of this Part. These types of sales are outside the scope of the Retailers' Occupation Tax Act;
- o) of food and beverages by *a person who is the recipient of a grant or contract under Title VII of the Older Americans Act of 1965 (42 U.S.C. 3021) and serves meals to participants in the federal Nutrition Program for the Elderly in return for contributions established in amount by the individual participant pursuant to a schedule of suggested fees as provided for in the federal Act.* [35 ILCS 120/1] This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- p) of *farm chemicals.* [35 ILCS 120/2-5(1)] See also Section 130.1955 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- q) of *machinery and equipment used primarily in the process of manufacturing and assembling.* [35 ILCS 120/2-5(14)] See Section 130.330 of this Part for machinery and equipment that qualifies for the exemption. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- r) of services included in gross receipts that are designated as *mandatory service charges* by vendors of meals *to the extent that the proceeds of the service charge are in fact turned over to the employees* who would normally have received tips had the service charge policy not been introduced. [35 ILCS 120/2-5(15)] See also Section 130.2145 of this Part. Service charges that are used to fund or pay wages, labor costs, employee benefits, or employer costs of doing business are taxable gross receipts. This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- s) of *tangible personal property sold to a purchaser if the purchaser is exempt from use tax by operation of federal law. This paragraph is exempt from the sunset provisions of Section 2-70.* [35 ILCS 120/2-5(16)].
  - 1) For example, federal law prohibits sellers from charging tax to Amtrak when it purchases tangible personal property. However, federal law does not relieve the seller of retailers' occupation tax liability in these transactions. For that reason, the exemption set

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out in this subsection is necessary to relieve the seller of retailers' occupation tax liability when making sales of tangible personal property to Amtrak.

- 2) The nontaxable transaction set out above is also applicable to local retailers' occupation tax imposed by municipalities, counties, the Regional Transportation Authority, and Metro East Mass Transit District;
- t) *of farm machinery and equipment, both new and used, including that manufactured on special order, certified by the purchaser to be used primarily for production agriculture, or State or federal agricultural programs, including individual replacement parts for the machinery and equipment, including machinery and equipment purchased for lease, and including implements of husbandry defined in Section 1-130 of the Illinois Vehicle Code [625 ILCS 5]. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(2)] See also Section 130.305 of this Part;*
- u) *through June 30, 2003, and beginning again on September 1, 2004 through August 30, 2014, of graphic arts machinery and equipment, including repair and replacement parts. [35 ILCS 120/2-5(4)] See also Section 130.330 of this Part;*
- v) *of a motor vehicle that is used for automobile renting, as defined in the Automobile Renting Occupation and Use Tax Act [35 ILCS 155]. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(5)]. Motor vehicles that qualify for this exemption are those that meet the definition of "automobile" under the Automobile Renting Occupation and Use Tax Act, including:*
  - 1) *any motor vehicle of the first division; or*
  - 2) *a motor vehicle of the second division which:*
    - A) *is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat;*

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- B) *is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers, as defined in Section 1-146 of the Illinois Vehicle Code; or*
- C) *has a Gross Vehicle Weight Rating, as defined in Section 1-124.5 of the Illinois Vehicle Code, of 8,000 pounds or less. [35 ILCS 155/2];*
- w) *of personal property sold by a teacher-sponsored student organization affiliated with an elementary or secondary school located in Illinois. [35 ILCS 120/2-5(6)] See also Section 130.2006 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- x) *of personal property sold to an Illinois county fair association for use in conducting, operating, or promoting the county fair. [35 ILCS 120/2-5(8)] This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- y) *of personal property sold to a not-for-profit arts or cultural organization that establishes that it has received an exemption under Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501) and that is organized and operated for the presentation or support of arts or cultural programming, activities, or services. On and after July 1, 2001, the qualifying organizations listed in this subsection (y) must also be organized and operated primarily for the presentation or support of arts or cultural programming, activities, or services. These organizations include, but are not limited to, music and dramatic arts organizations such as symphony orchestras and theatrical groups, arts and cultural service organizations, local arts councils, visual arts organizations, and media arts organizations. [35 ILCS 120/2-5(9)] See also Section 130.2004 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- z) *of personal property sold by a corporation, society, association, foundation, institution, or organization, other than a limited liability company, that is organized and operated as a not-for-profit service enterprise for the benefit of persons 65 years of age or older if the personal property was not purchased by the enterprise for the purpose of resale by the enterprise. [35 ILCS 120/2-5(10)] See also Section 130.2008 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*

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- aa) *of legal tender, currency, medallions, or gold or silver coinage issued by the State of Illinois, the government of the United States of America, or the government of any foreign country, and bullion, unless the items are transferred as jewelry and therefore subject to tax. [35 ILCS 120/2-5(18)] This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- bb) *of photoprocessing machinery and equipment, including repair and replacement parts, both new and used, including that manufactured on special order, certified by the purchase to be used primarily for photoprocessing, and including photoprocessing machinery and equipment purchased for lease. [35 ILCS 120/2-5(20)] See also Section 130.2000 of this Part. This exemption existed prior to the enactment of Section 2-70 and will not sunset;*
- cc) *beginning July 1, 2003 and until July 1, 2028, of coal and aggregate exploration, mining, off-highway hauling, processing, maintenance, and reclamation equipment, including replacement parts and equipment, and including equipment purchased for lease, but excluding motor vehicles required to be registered under the Illinois Motor Vehicle Code [625 ILCS 5]. The Department, however, will not approve any claims for credit or refunds on or after August 16, 2013, for taxes due or paid during the period beginning July 1, 2003 through August 16, 2013. [35 ILCS 120/2-5(21)] This exemption was to terminate by operation of the sunset provisions of Section 2-70 of the Retailers' Occupation Tax Act on August 15, 2018. Pursuant to P.A. 100-0594, effective June 29, 2018, the exemption provided in this subsection (cc) is extended until July 1, 2023. Pursuant to P.A. 102-0700, effective April 19, 2022, the exemption provided in this subsection (cc) is extended until July 1, 2028. [35 ILCS 120/2-5(21)] See also Sections 130.350 and 130.351 of this Part;*
- dd) *of fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight destined for or returning from a location or locations outside the United States without regard to previous or subsequent domestic stopovers. Beginning July 1, 2013, the exemption applies to fuel and petroleum products sold to or used by an air carrier, certified by the carrier to be used for consumption, shipment, or storage in the conduct of its business as an air common carrier, for a flight that is engaged in foreign trade or is engaged in trade between the United States and any of its possessions and that transports at least one individual or package for hire from the city of origination to the*

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*city of final destination on the same aircraft, without regard to a change in the flight number of that aircraft.* [35 ILCS 120/2-5(22)] See also Section 130.321 of this Part. This exemption existed prior to the enactment of Section 2-70 of the Retailers' Occupation Tax Act and will not sunset;

- ee) *of semen used for artificial insemination of livestock for direct agricultural production.* [35 ILCS 120/2-5(26)] Exemption certifications must be executed by the purchaser. The certificate must include the seller's name and address, the purchaser's name and address, the purchaser's registration number with the Department, the purchaser's signature and date of signing, and a statement that the semen purchased will be used for artificial insemination of livestock for direct agricultural production. The certificates shall be retained by the retailer and shall be made available to the Department for inspection or audit. This exemption existed prior to the enactment of the sunset provisions of Section 2-70 and will not sunset;
- ff) *of a transaction in which the purchase order is received by a florist who is located outside Illinois, but who has a florist located in Illinois deliver the property to the purchaser or the purchaser's donee in Illinois.* [35 ILCS 120/2-5(23)] This exemption existed prior to the enactment of Section 2-70 and will not sunset;
- gg) *of horses, or interests in horses, registered with and meeting the requirements of any of the Arabian Horse Club Registry of America, Appaloosa Horse Club, American Quarter Horse Association, United States Trotting Association, or Jockey Club, as appropriate, used for purposes of breeding or racing for prizes. This exemption applies for all periods beginning May 30, 1995, but no claim for credit or refund is allowed on or after January 1, 2008 for taxes paid during the period beginning May 30, 2000 and ending January 1, 2008. This paragraph is exempt from the sunset provisions of Section 2-70.* [35 ILCS 120/2-5(27)];
- hh) *effective January 1, 1996, through December 31, 2000, and beginning August 2, 2001, of computers and communications equipment utilized for any hospital purpose and equipment used in the diagnosis, analysis, or treatment of hospital patients sold to a lessor who leases the equipment, under a lease of one year or longer executed or in effect at the time of the purchase, to a hospital that has been issued an active tax exemption identification number by the Department under Section 1g of the Act. This paragraph is exempt from the sunset provisions of Section 2-70.* [35 ILCS 120/2-5(36)] See also Section 130.2011 of this Part;

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- ii) effective January 1, 1996, through December 31, 2000, and *beginning August 2, 2001, of personal property sold to a lessor who leases the property, under a lease of one year or longer executed or in effect at the time of the purchase, to a governmental body that has been issued an active tax exemption identification number by the Department under Section 1g of the Act. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(37)]* See also Section 130.2012 of this Part;
  
- jj) *of tangible personal property sold to a common carrier by rail or motor that receives the physical possession of the property in Illinois and that transports the property, or shares with another common carrier in the transportation of the property, out of Illinois on a standard uniform bill of lading showing the seller of the property as the shipper or consignor of the property to a destination outside Illinois, for use outside Illinois. [35 ILCS 120/2-5(17)]* This exemption existed prior to the enactment of Section 2-70 and will not sunset;
  
- kk) Game Birds
  - 1) beginning July 1, 1999 through August 15, 2011, of game or game birds purchased at:
    - A) a game breeding and hunting preserve area licensed by the Department of Natural Resources (see Section 3.27 of the Wildlife Code [520 ILCS 5/3.27]);
    - B) an exotic game hunting area licensed by the Department of Natural Resources (520 ILCS 5/3.34 repealed by P.A. 97-431, effective 8-16-11); or
    - C) a hunting enclosure approved through rules adopted by the Department of Natural Resources;
  - 2) beginning August 16, 2011, of *game or game birds sold at a "game breeding and hunting preserve area" as that term is used in the Wildlife Code. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(32)]*;
  
- ll) *beginning January 1, 2000, of personal property, including food, purchased through fundraising events for the benefit of a public or private elementary or secondary school, a group of those schools, or one or more*

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*school districts if the events are sponsored by an entity recognized by the school district that consists primarily of volunteers and includes parents and teachers of the school children. This subsection (ll) does not apply to fundraising events:*

- 1) *for the benefit of private home instruction; or*
  - 2) *for which the fundraising entity purchases the personal property sold at the events from another individual or entity that sold the property for the purpose of resale by the fundraising entity and that profits from the sale to the fundraising entity. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(34)];*
- mm) *of machinery or equipment used in the operation of a high impact service facility located within an enterprise zone established pursuant to the Illinois Enterprise Zone Act [20 ILCS 655]. [35 ILCS 120/1j] "High impact service facility" means a facility used primarily for the sorting, handling and redistribution of mail, freight, cargo, or other parcels received from agents or employees of the handler or shipper for processing at a common location and redistribution to other employees or agents for delivery to an ultimate destination on an item-by-item basis, and which:*
- 1) *will make an investment in a business enterprise project of \$100,000,000 or more;*
  - 2) *will cause the creation of at least 750 to 1,000 jobs or more in an enterprise zone established pursuant to the Illinois Enterprise Zone Act; and*
  - 3) *is certified by the Department of Commerce and Economic Opportunity as contractually obligated to meet the requirements specified in subsections (mm)(1) and (2) within the time period as specified by the certification. The certificate of eligibility for exemption shall be presented by the business enterprise to its supplier when making the initial purchase of machinery and equipment for which an exemption is granted by Section 1j of the Act, together with a certification by the business enterprise that such machinery and equipment is exempt from taxation under Section 1j of the Act and by indicating the exempt status of each subsequent purchase on the face of the purchase order. [35 ILCS*

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120/1i] This exemption existed prior to the enactment of Section 2-70 and will not sunset;

- nn) *beginning August 23, 2001 and through June 30, 2016, of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use, when purchased for use by a person receiving medical assistance under Article 5 of the Illinois Public Aid Code who resides in a licensed long-term care facility, as defined in the Nursing Home Care Act, or a licensed facility as defined in the ID/DD Community Care Act [210 ILCS 47], the MC/DD Act [210 ILCS 46], or the Specialized Mental Health Rehabilitation Act of 2013 [210 ILCS 49]. [35 ILCS 120/2-5(35-5)];*
- oo) *beginning July 1, 2007, of an aircraft, as defined in Section 3 of the Illinois Aeronautics Act [620 ILCS 5], if all of the following conditions are met:*
  - 1) *the aircraft leaves this State within 15 days after the later of either the issuance of the final billing for the sale of the aircraft, or the authorized approval for return to service, completion of the maintenance record entry, and completion of the test flight and ground test for inspection, as required by 14 CFR 91.407;*
  - 2) *the aircraft is not based or registered in this State after the sale of the aircraft; and*
  - 3) *the seller retains books and records as required by the Department. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(25-7)] See also Section 130.605 of this Part;*
- pp) *effective October 11, 2007, of tangible personal property sold to a public-facilities corporation, as described in Section 11-65-10 of the Illinois Municipal Code [65 ILCS 5/11-65-10], for purposes of constructing or furnishing a municipal convention hall. This exemption includes existing public-facilities corporations, if, before October 11, 2007, a municipality has incorporated a public-facilities corporation and the public-facilities corporation complies with the requirements set forth in Section 11-65-10. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(41); 65 ILCS 5/11-65-25];*



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- qq) *beginning January 1, 2008, of tangible personal property used in the construction or maintenance of community water supplies, as defined under Section 3.145 of the Environmental Protection Act [415 ILCS 5], that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(39)];*
- rr) *Aircraft Maintenance beginning January 1, 2010 through December 31, 2029, of materials, parts, equipment, components, and furnishings incorporated into or upon an aircraft as part of the modification, refurbishment, completion, replacement, repair, or maintenance of the aircraft. This exemption includes consumable supplies used in the modification, refurbishment, completion, replacement, repair, and maintenance of aircraft. However, until January 1, 2024, this exemption excludes any materials, parts, equipment, components, and consumable supplies used in the modification, replacement, repair, and maintenance of aircraft engines or power plants, whether such engines or power plants are installed or uninstalled upon any such aircraft. "Consumable supplies" include, but are not limited to, adhesive, tape, sandpaper, general purpose lubricants, cleaning solution, latex gloves, and protective films.*
- 1) *Beginning January 1, 2010 and continuing through December 31, 2023, this exemption applies only to the sale of qualifying tangible personal property to persons who modify, refurbish, complete, replace, or maintain an aircraft and who hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration, have a Class IV Rating, and conduct operations in accordance with Part 145 of the Federal Aviation Regulations. The exemption does not include aircraft operated by a commercial air carrier providing scheduled passenger air service pursuant to authority issued under Part 121 or Part 129 of the Federal Aviation Regulations.*
  - 2) *From January 1, 2024 through December 31, 2029, this exemption applies only to the sale of qualifying tangible personal property to:*
    - A) *persons who modify, refurbish, complete, repair, replace, or maintain aircraft and who:*

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- i) *hold an Air Agency Certificate and are empowered to operate an approved repair station by the Federal Aviation Administration;*
    - ii) *have a Class IV Rating; and*
    - iii) *conduct operations in accordance with Part 145 of the Federal Aviation Regulations; and*
  - B) *persons who engage in the modification, replacement, repair, and maintenance of aircraft engines or power plants without regard to whether or not those persons meet the qualifications of item (rr)(2)(A).*
- 3) *It is the intent of the General Assembly that the exemption applies continuously from January 1, 2010 through December 31, 2024; however, no claim for credit or refund is allowed for taxes paid as a result of the disallowance of this exemption on or after January 1, 2015 and prior to February 5, 2020. [35 ILCS 120/2-5(40)]*
- ss) *effective July 12, 2006, of building materials to be incorporated into real estate within a River Edge Redevelopment Zone in accordance with the River Edge Redevelopment Zone Act [65 ILCS 115] by remodeling, rehabilitating, or new construction. The provisions of this subsection are exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-54] See also Section 130.1954 of this Part;*
  - tt) *of electricity delivered to customers by wire; natural or artificial gas that is delivered to customers through pipes, pipelines, or mains; and water that is delivered to customers through pipes, pipelines, or mains. These provisions are declaratory of existing law as to the meaning and scope of the Act. [35 ILCS 120/2] These types of sales are outside the scope of the Retailers' Occupation Tax Act;*
  - uu) *beginning on January 1, 2002 through June 30, 2016, of tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois for the purpose of subsequently transporting it outside this State for use or consumption thereafter solely outside this State or for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and*

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*thereafter used or consumed solely outside this State.* [35 ILCS 120/2-5(38)] See also 86 Ill. Adm. Code 150.310 of this Part;

- vv) *beginning January 1, 2017, through December 31, 2026, of menstrual pads, tampons, and menstrual cups.* [35 ILCS 120/2-5(42)];
- ww) *beginning July 1, 2022, of breast pumps, breast pump collection and storage supplies, and breast pump kits. This paragraph is exempt from the sunset provisions of Section 2-70. As used in this subsection (ww):*
  - 1) *"Breast pump" means an electrically controlled or manually controlled pump device designed or marketed to be used to express milk from a human breast during lactation, including the pump device and any battery, AC adapter, or other power supply unit that is used to power the pump device and is packaged and sold with the pump device at the time of sale.*
  - 2) *"Breast pump collection and storage supplies" means items of tangible personal property designed or marketed to be used in conjunction with a breast pump to collect milk expressed from a human breast and to store collected milk until it is ready for consumption.*
  - 3) *"Breast pump collection and storage supplies" includes, but is not limited to: breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottles and bottle caps specific to the operation of the breast pump; and breast milk storage bags.*
  - 4) *"Breast pump collection and storage supplies" does not include: bottles and bottle caps not specific to the operation of the breast pump; breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products; breast pump cleaning supplies; nursing bras, bra pads, breast shells, and other similar products; and creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples, unless sold as part of a breast pump kit that is pre-packaged by the breast pump manufacturer or distributor.*

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- 5) *"Breast pump kit" means a kit that: contains no more than a breast pump, breast pump collection and storage supplies, a rechargeable battery for operating the breast pump, a breastmilk cooler, bottle stands, ice packs, and a breast pump carrying case; and is pre-packaged as a breast pump kit by the breast pump manufacturer or distributor.*  
[35 ILCS 120/46];
- xx) *of tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/(47)]*
- yy) *of merchandise that is subject to the Rental Purchase Agreement Occupation and Use Tax. The purchaser must certify that the item is purchased to be rented subject to a rental purchase agreement, as defined in the Rental Purchase Agreement Act, and provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(43)];*
- zz) *beginning January 1, 2024, of tangible personal property purchased by an active duty member of the armed forces of the United States who presents valid military identification and purchases the property using a form of payment where the federal government is the payor. The member of the armed forces must complete, at the point of sale, a form prescribed by the Department documenting that the transaction is eligible for the exemption under this Section. Retailers must keep the form as documentation of the exemption in their records for a period of not less than 6 years. "Armed forces of the United States" means the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Space Force. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(48)];*
- aaa) *beginning July 1, 2024, of home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary, such as a Medicare Administrative Contractor, a Managed Care Organization, or a Medicare Advantage Organization, pursuant to a government contract. This paragraph is exempt from the sunset provisions of Section 2-70. [35 ILCS 120/2-5(49) as enacted by P.A. 103-0643];*
- bbb) *gross receipts from the lease of the following tangible personal property:*

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- 1) beginning on January 1, 2025 and through December 31, 2029, *computer software transferred subject to a license that meets the following requirements:*
  - A) *it is evidenced by a written agreement signed by the licensor and the customer;*
    - i) *an electronic agreement in which the customer accepts the license by means of an electronic signature that is verifiable and can be authenticated and is attached to or made part of the license will comply with this requirement;*
    - ii) *a license agreement in which the customer electronically accepts the terms by clicking "I agree" does not comply with this requirement;*
  - B) *it restricts the customer's duplication and use of the software;*
  - C) *it prohibits the customer from licensing, sublicensing, or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor;*
  - D) *the licensor has a policy of providing another copy at minimal or no charge if the customer loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and*
  - E) *the customer must destroy or return all copies of the software to the licensor at the end of the license period; this provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement; and*
- 2) beginning on January 1, 2025 and through December 31, 2029, *property that is subject to a tax on lease receipts imposed by a home rule unit of local government if the ordinance imposing that*

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*tax was adopted prior to January 1, 2023. [35 ILCS 120/2-5(49) as enacted by Public Act 103-592]*

(Source: Amended at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

SUBPART C: CERTAIN STATUTORY EXEMPTIONS

**Section 130.341 Commercial Distribution Fee Sales Tax Exemption (Repealed)**

ILLINOIS REGISTER  
DEPARTMENT OF REVENUE  
NOTICE OF PROPOSED AMENDMENTS

(Source: Repealed at 49 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)