

**Illinois Department of Revenue
Regulations**

Title 86 Part 140 Section 140.128 Persons Who Lease Tangible Personal Property to Governmental Bodies
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**TITLE 86: REVENUE
PART 180
SERVICE OCCUPATION TAX**

Section 140.128 Persons Who Lease Tangible Personal Property to Governmental Bodies

- a) Effective January 1, 1996 through December 31, 2000, and on and after August 2, 2001, tangible personal property transferred incident to a sale of service to a lessor who leases that property to a governmental body is not subject to Service Occupation Tax. As noted in this subsection, the exemption is not available during the period January 1, 2001 through August 1, 2001 because it expired under the provisions of Section 3-55 of the Service Occupation Tax Act [35 ILCS 115/3-55]. The exemption is otherwise available, provided that:
 - 1) the property must be leased to a governmental body under a lease that has been executed or is in effect at the time of purchase;
 - 2) the lease must be for a period of one year or longer; and
 - 3) The lease must be to a governmental body that has an active tax exemption identification number issued by the Department under Section 1g of the Retailers' Occupation Tax Act (see 86 Ill. Adm. Code 130.2007).

- b) When this exemption may be properly claimed, the service customer must give the serviceman a certification stating that the property is for lease to a governmental body, under a lease of one year or longer executed or in effect at the time of the purchase, and containing all of the following:
 - 1) The serviceman's name and address;
 - 2) The service customer's name and address;
 - 3) A description of the tangible personal property being purchased;
 - 4) The service customer's signature and date of signing;
 - 5) The name of the governmental body and its tax exemption identification number issued by the Department; and
 - 6) The date the lease was executed and the lease period.

(Source: Amended at 26 Ill. Reg. 4905, effective March 15, 2002)

