



General Assembly

February Session, 2008

***Raised Bill No. 708***

LCO No. 3477

\*03477 \_\_\_\_\_ FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***AN ACT PROVIDING ASSISTANCE FOR WORKING DAIRY FARMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008, and applicable to taxable years*  
2 *commencing on or after January 1, 2008*) (a) For purposes of this section:

3 (1) "Federal pay price" means the monthly published United States  
4 Department of Agriculture's Federal Order. One Boston Blend Prize at  
5 Zone 1, three and one-half per cent butter fat;

6 (2) "Milk producer" means a person, firm or corporation registered  
7 pursuant to section 22-172 of the general statutes;

8 (3) "Minimum sustainable monthly cost of production" means  
9 eighty-two per cent of the baseline determined by the United States  
10 Department of Agriculture's Economic Research Service monthly  
11 average cost of production for a New England state.

12 (b) (1) Any milk producer subject to tax under chapter 208 or 229 of  
13 the general statutes, shall be entitled to a credit under said chapter 208  
14 or 229. Such credit shall be in an amount equal to the total of the  
15 monthly difference between the federal pay price and the production

16 price for milk, as determined by the Commissioner of Agriculture  
17 pursuant to subsection (d) of this section. In each month that the  
18 federal pay price is below the production price, the milk producer shall  
19 be entitled to a credit equal to the dollar amount such federal pay price  
20 was below the production price, multiplied by the amount of milk  
21 produced by such milk producer during such month.

22 (2) For purposes of calculating the credit due pursuant to  
23 subdivision (1) of this subsection, each milk producer shall file, in such  
24 form and at such times as the Commissioner of Agriculture shall  
25 direct, information as to the amount of milk produced by such  
26 producer.

27 (3) If the amount of the credit allowed under this section exceeds a  
28 milk producer's tax liability, the Commissioner of Revenue Services  
29 shall treat such excess as an overpayment and shall pay such milk  
30 producer the amount of such excess, without interest.

31 (c) On or before February 15, 2009, and annually thereafter, the  
32 Commissioner of Agriculture shall certify to the Commissioner of  
33 Revenue Services the tax credit due to each milk producer, based on  
34 the total amount of milk such producer produced, multiplied by the  
35 total monthly shortfall of the federal pay price.

36 (d) The Commissioner of Agriculture shall adopt regulations, in  
37 accordance with the provisions of chapter 54 of the general statutes, to  
38 implement the provisions of this section, including, but not limited to,  
39 establishment of the monthly production price, which shall not be  
40 below the minimum sustainable monthly cost of production.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008, and applicable to taxable years commencing on or after January 1, 2008</i>	New section

**Statement of Purpose:**

To provide assistance to Connecticut's milk producers.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*