



General Assembly

January Session, 2009

Committee Bill No. 5483

LCO No. 5053

05053HB05483ENV

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING FINANCIAL RELIEF FOR THE DAIRY INDUSTRY.

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

1 Section 1. (NEW) (*Effective July 1, 2009, and applicable to taxable years*
2 *commencing on or after January 1, 2009*) (a) For purposes of this section:

3 (1) "Federal pay price" means the monthly uniform price for milk
4 pursuant to the United States Department of Agriculture Northeast
5 Federal Milk Marketing Order;

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) Subject to subdivisions (2) and (3) of this subsection, any milk
13 producer subject to tax under chapter 208 or 229 of the general statutes
14 shall be entitled to a credit under said chapter 208 or 229. Such credit

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

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

28 (3) Prior to receiving a tax credit pursuant to subdivision (1) of this
29 subsection, a milk producer shall file with the Commissioner of
30 Agriculture, in such form and at such times as said commissioner shall
31 direct, proof that such milk producer has completed an energy audit,
32 as defined in section 16a-38 of the general statutes.

33 (4) If the amount of the credit allowed under this section exceeds a
34 milk producer's tax liability, the Commissioner of Revenue Services
35 shall treat such excess as an overpayment and shall pay such milk
36 producer the amount of such excess, without interest.

37 (c) On or before February 15, 2010, and annually thereafter, the
38 Commissioner of Agriculture shall certify to the Commissioner of
39 Revenue Services the tax credit due to each milk producer, based on
40 the total amount of milk such producer produced, multiplied by the
41 total monthly shortfall of the federal pay price.

42 (d) The Commissioner of Agriculture shall adopt regulations, in
43 accordance with the provisions of chapter 54 of the general statutes, to
44 implement the provisions of this section, including, but not limited to,
45 establishment of the monthly production price, which shall not be

46 below the minimum sustainable monthly cost of production.

47 Sec. 2. (NEW) (Effective July 1, 2009) No person or entity engaged in
48 the retail sale of fluid milk shall sell such milk to consumers at a price
49 greater than one hundred twenty per cent of the price paid to dairy
50 farmers for such milk pursuant to the United States Department of
51 Agriculture Northeast Federal Milk Marketing Order for Class I milk.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009, and applicable to taxable years commencing on or after January 1, 2009</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section

Statement of Purpose:

To protect consumers and to provide the dairy industry with financial relief.

[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.]

Co-Sponsors: REP. HURLBURT, 53rd Dist.; REP. KEHOE, 31st Dist.
REP. LEWIS, 8th Dist.

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