



General Assembly

February Session, 2026

Raised Bill No. 5570

LCO No. 3028



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING A TAX CREDIT FOR MILK PRODUCERS.

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

1 Section 1. (NEW) (*Effective January 1, 2027, and applicable to income and*
2 *taxable years commencing on or after January 1, 2027*) (a) As used in this
3 section, "federal pay price", "milk producer" and "minimum sustainable
4 monthly cost of production" have the same meanings as provided in
5 section 22-265b of the general statutes.

6 (b) Each milk producer shall be allowed a credit against the tax
7 imposed under chapter 208 or 229 of the general statutes, other than the
8 liability imposed by section 12-707 of the general statutes, in an amount
9 equal to, for each month of the income or taxable year the federal pay
10 price is below the minimum sustainable monthly cost of production, (1)
11 the dollar amount the federal pay price was below the minimum
12 sustainable monthly cost of production, and (2) multiplied by the
13 amount of milk produced by such milk producer for such month. Each
14 milk producer shall file with the commissioner, in a form and manner
15 prescribed by the commissioner, such information the commissioner

16 requires to substantiate the amount of milk produced by such milk
17 producer.

18 (c) If the taxpayer is an S corporation or an entity treated as a
19 partnership for federal income tax purposes, the credit may be claimed
20 by the taxpayer's shareholders or partners. If the taxpayer is a single
21 member limited liability company that is disregarded as an entity
22 separate from its owner, the credit may be claimed by such limited
23 liability company's owner, provided such owner is subject to the tax
24 imposed under chapter 208 or 229 of the general statutes.

25 (d) If the amount of the credit allowed pursuant to this section
26 exceeds the taxpayer's liability for the tax imposed under chapter 208 or
27 229 of the general statutes, the Commissioner of Revenue Services shall
28 treat such excess as an overpayment and, except as provided in section
29 12-739 or 12-742, shall refund the amount of such excess, without
30 interest, to such taxpayer, provided the aggregate amount of credits
31 allowed under this section shall not exceed eight million dollars in any
32 calendar year. If the total amount of such refunds exceeds the aggregate
33 amount for the applicable calendar year, the amount of the refund
34 payable to each taxpayer under this subsection shall be reduced
35 proportionately.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2027, and applicable to income and taxable years commencing on or after January 1, 2027</i>	New section

Statement of Purpose:

To establish a refundable credit for milk producers against the tax imposed under chapter 208 or 229 of the general statutes for the months when the federal pay price for milk is below the minimum sustainable monthly cost of production.

[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.]