



General Assembly

**Substitute Bill No. 5570**

February Session, 2026



**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, (2) multiplied by the amount of  
13 milk produced by such milk producer for such month. Each milk  
14 producer shall file with the Commissioner of Agriculture, in a form and  
15 manner prescribed by the commissioner, such information the  
16 commissioner requires to substantiate the amount of milk produced by  
17 such milk producer.

18 (c) (1) Any milk producer subject to the tax imposed under chapter  
19 208 or 229 of the general statutes may apply to the Commissioner of

20 Agriculture, in a form and manner prescribed by the commissioner, to  
21 reserve an allocation for a credit under this section. The application shall  
22 contain such information as the commissioner deems necessary to  
23 administer the provisions of this section. The aggregate amount of  
24 credits reserved under this section shall not exceed eight million dollars  
25 in any calendar year.

26 (2) Upon verification by the commissioner that the conditions set  
27 forth in subsection (b) of this section have been satisfied and the amount  
28 of milk produced by a milk producer has been substantiated, the  
29 commissioner shall issue a voucher to the milk producer in the amount  
30 calculated pursuant to subsection (b) of this section. The taxpayer shall  
31 file the voucher with the taxpayer's state tax return for the applicable  
32 income or taxable year.

33 (d) If the taxpayer is an S corporation or an entity treated as a  
34 partnership for federal income tax purposes, the credit may be claimed  
35 by the taxpayer's shareholders or partners. If the taxpayer is a single  
36 member limited liability company that is disregarded as an entity  
37 separate from its owner, the credit may be claimed by such limited  
38 liability company's owner, provided such owner is subject to the tax  
39 imposed under chapter 208 or 229 of the general statutes.

40 (e) If the amount of the credit allowed pursuant to this section  
41 exceeds the taxpayer's liability for the tax imposed under chapter 208 or  
42 229 of the general statutes, the Commissioner of Revenue Services shall  
43 treat such excess as an overpayment and, except as provided in section  
44 12-739 or 12-742 of the general statutes, shall refund the amount of such  
45 excess, without interest, to such taxpayer.

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

**FIN**      *Joint Favorable Subst.*