

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS



Department of Agricultural Resources

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Notice of 2010 Dairy Farmer Tax Credit Recalculation

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Update: 7 December 2011

On 21 November 2011 the Board of Food and Agriculture determined that an error had been made in the 2010 Tax Credit Program pursuant to 330 CMR 29.10. With that determination, Commissioner Soares had ten business days to recalculate the 2010 Tax Credit.

Commissioner Soares has caused the recalculation of the Dairy Farmer Tax Credit of 2010 to be performed by an outside consulting agricultural economist. The recalculation was completed using an econometric analysis of data from 2006 through 2009 to estimate the Trigger Price. The estimates resulted in the Farm Price falling below the Trigger Price for 9 out of 12 months yielding a Total Tax Credit of \$3.0 Million dollars to be distributed to all taxpayers who were eligible to receive a tax credit in 2010. In 2010 there were 226,725,676 pounds of milk from eligible Taxpayers which amounts to a Tax Credit Rate of \$1.323 per hundredweight. This will amount to an average Tax Credit of \$12,766.

Commissioner Soares will forward the recertified Tax Credit as soon as possible to Commissioner Pitter of the Department of Revenue while simultaneously sending out the recalculated Tax Credit Statements to all who were eligible to receive Tax Credit in 2010.

Upon receipt of the recertified Tax Credit, the Department of Revenue will automatically process payments in accordance with the information received from the Department of Agricultural Resources. It is anticipated that eligible Taxpayers will receive payments due to them in January 2012.

No further actions is required by eligible Tax payers at this time.

Questions regarding this matter should be directed to Dr. Bill Gillmeister at 617.626.1811 or William.Gillmeister@state.ma.us.