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HAMPSHIRE AND FRANKLIN  
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September 13, 2011

Jay Gonzalez, Secretary  
Executive Office of Administration and Finance  
State House, Room 373  
Boston MA 02133

Richard K Sullivan, Secretary  
Executive Office of Energy & Environmental Affairs  
100 Cambridge, Suite 900  
Boston MA 02114

Navjeet Bal, Commissioner  
Massachusetts Department of Revenue  
P O Box 7010  
Boston MA 02204

Dear Secretary Gonzalez, Secretary Sullivan and Commissioner Bal:

As members of the Dairy Task Force and other legislators concerned with this issue, we are writing to urge an expedited review of the emergency regulations for the Dairy Tax Credit that were recently filed. The purpose of the Dairy Tax Credit (DTC) was to prevent the loss of dairy farms, though so far this year several have closed and more are believed to be in jeopardy. We hear from our constituents in the dairy industry that the DTC is an important program whose very existence has brought a measure of stability to the industry. However, the current regulation implementing the DTC is no longer viable as it requires a federal production measurement that USDA ceased publishing last year. The failure of the tax credit to trigger in 2010 and the inability of the DTC to be calculated in 2011 are seen as strongly contributing factors in the recent dairy farm losses.

Until the new regulations are published, the Department of Agricultural Resources will not be able to determine whether months in 2011 qualify for the DTC. Massachusetts dairy producers may soon face filing for the 2011 tax year without knowing whether the Dairy Tax Credit is available for 2011.


Additionally, the latest state budget contains language that would allow the Department of Agriculture to reopen the 2010 Dairy Tax Credit. However, the budget language requires that the revised regulations are in place before the Department may revisit 2010. The regulations include a process for reopening a previous tax credit as well as a revised production measurement for triggering the credit. Publishing the regulations this fall leaves enough time for a thoughtful reexamination of 2010, potentially yielding amended 2010 claims, while 2011 is processed as a regular tax year.

We urge you to make every effort to work with the Department of Agricultural Resources to produce a set of emergency regulations for the Dairy Tax Credit Program as soon as possible. As we go into the fall producers will need to be making financial arrangements for the new year, yet they have no idea if there will be a tax credit in 2011 or if 2010 will be revisited. The revised regulations are needed quickly if there is to be any financial certainty, and potentially, financial assistance, available to Massachusetts dairy farmers.

Sincerely,



STAN ROSENBERG  
State Senator  
Hampshire & Franklin



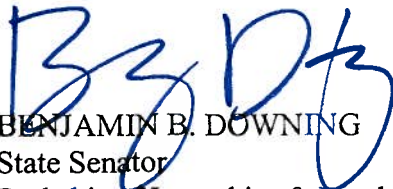
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