

**Revenue Estimating Conference for Tobacco Settlement Payments**  
**Executive Summary**  
**August 2, 2022**

The Revenue Estimating Conference met on August 2, 2022, to adopt a new forecast of Tobacco Settlement payments for the 2022-23 through 2032-33 fiscal years.

The last payments expected in FY 2021-22 (the Florida Profit Adjustments and other revisions) were received in April. After the final adjustments were made, the payments from the original settling manufacturers were a combined -\$1.7 less than forecast.

To account for inflation, the new forecast was adjusted based on the National Economic Estimating Conference results from July 15, 2022. This allowed an updated Consumer Price Index series to be used in the calculation beginning in FY 2022-23.

Other adjustments to the forecast since the January 2022 Conference include the annual percent change in U.S. Cigarette Volume beginning in FY 2021-22. The growth rate was revised to -5.5% in the first year of the forecast instead of the -5.0% growth rate assumed in the prior forecast. The Conference also downgraded its outlook for cigarette sales by increasing the expected year-over-year decline to -7.5% in FY 2022-23 from -2.65% and to -2.5% annually through the end of the forecast period from the previously projected range of -1.75% to -1.44%.

The growth rate forecast for Actual Net Operating Profits was revised from 8.0% at the previous Conference to 8.5% in FY 2022-23. Thereafter, the Conference retained the out year growth rates adopted at the previous Conference.

Overall, expected payments have been lowered largely because of the changes in the long term view of cigarette usage. The table below shows the new estimated amounts of settlement payments to the State of Florida and the change from the previous estimate.

**Tobacco Settlement Payments to Florida for Outlook Purposes**  
**Old vs. New Forecast of Total Payments (\$ Millions)**

	<b>Prior Forecast (January 2022)</b>	<b>August 2022 Expected Payments Forecast with Liggett</b>	<b>Difference</b>
FY 2021-22	413.8	412.1	-1.7
FY 2022-23	426.2	403.9	-22.3
FY 2023-24	442.5	417.9	-24.7
FY 2024-25	459.5	432.0	-27.6
FY 2025-26	476.8	446.1	-30.7
FY 2026-27	493.9	460.0	-33.9
FY 2027-28	510.6	473.5	-37.1
FY 2028-29	527.0	486.5	-40.5
FY 2029-30	542.9	498.7	-44.2
FY 2030-31	559.0	511.0	-48.0
FY 2031-32	575.4	523.4	-52.0
FY 2032-33	593.1	536.9	-56.2