

Revenue Estimating Conference for Tobacco Settlement Payments
December 2, 2020
Executive Summary

The Revenue Estimating Conference met on December 2, 2020, to adopt a new forecast of Tobacco Settlement payments for the 2020-21 through 2032-33 fiscal years.

Tobacco settlement payments accrue to the state from a formal settlement agreement entered on August 25, 1997, in response to a lawsuit between the State of Florida and several major tobacco companies. An annual payment is due by December 31 of each year, and a profit adjustment payment is made following the end of each participating company's fiscal year. Both payments continue in perpetuity.

On January 18, 2017, the State of Florida filed a Motion to Join ITG Brands, LLC as a Defendant and to enforce the Settlement Agreement in the State of Florida, et. al., v. Am. Tobacco Co., R.J. Reynolds Tobacco Co., et. al., No. 95-1466 AH (Fla. 15th Cir. Ct.). On August 18, 2018, the Circuit Court entered a final judgment specifying the principal sum and interest due from R.J. Reynolds to the State of Florida for the period June 12, 2015, through April 30, 2018, as well as providing guidance on how any future unpaid liability to the State should be calculated. In addition, the final judgment reflected the court's rulings issued December 27, 2017, and May 24, 2018, collectively known as the "Liability Orders." R.J. Reynolds subsequently appealed the lower court's decision regarding its liability. On July 29, 2020, the District Court of Appeal unanimously affirmed the lower court's final judgment in all respects, and on September 18, 2020, denied the Appellant's motion for rehearing, rehearing en banc, and certification to the Florida Supreme Court. In response, R.J. Reynolds paid the State of Florida \$192,869,589.86 million to cover the full amount of the outstanding judgment (inclusive of principal and interest). This amount was deposited into the General Revenue Fund on October 6, 2020. Notwithstanding this payment, R.J. Reynolds filed Notice to Invoke Discretionary Jurisdiction of the Florida Supreme Court on October 15, 2020, seeking review of the District Court of Appeal's opinion. As of December 2, 2020, the Florida Supreme Court had yet to decide whether to grant discretionary review for this case. Because of this, the forecast is shaped by an assumption that new unpaid liability will begin to accrue in tandem with the upcoming December payment.

For estimated total liability, the new forecast was adjusted based on the National Economic Estimating Conference results from November 13, 2020. Other adjustments to the forecast since the August 2020 Conference include the annual percent change in U.S. Cigarette Volume beginning in FY 2020-21. This amount was revised upward in FY 2020-21 to reflect a more gradual decline in sales since the August 2020 Conference forecast. The adjusted forecast for expected payments is in keeping with the Conference's belief that R.J. Reynolds will continue to accrue unpaid liability each year until the litigation has ended.

In the conference package, the two *Outstanding Lawsuit-Related Loss* columns were removed and a new column *Payment Difference from Liability (annual loss)* was added to reflect the dollar difference between the *Estimated Combined Payments Liability (minus Liggett)* and the *Expected Payments from Original Settling Manufacturers*. Expected payments to the state are still assumed to be 89.3 percent of the estimated payments.

The table below shows the new projected 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)**

	Expected Payments from Original Settling Manufacturers	December 2020 Expected Payments Forecast with Liggett	August 2020 Expected Payments Forecast with Liggett	Difference from August 2020 Expected Payments	Outstanding Lawsuit-Related Loss (cumulative with interest as of 12/02/2020)
FY 1997-98					
FY 1998-99					
FY 1999-00					
FY 2000-01					
FY 2001-02					
FY 2002-03					
FY 2003-04					
FY 2004-05					
FY 2005-06					
FY 2006-07					
FY 2007-08					
FY 2008-09					
FY 2009-10					
FY 2010-11					
FY 2011-12					
FY 2012-13					
FY 2013-14					
FY 2014-15					
FY 2015-16					
FY 2016-17					
FY 2017-18					
FY 2018-19					
FY 2019-20	335.0	335.3	335.3	0.0	<i>Addressed by Settlement Payment 10/6/2020</i>
FY 2020-21	344.5	344.8	341.8	3.0	
FY 2021-22	349.3	349.6	346.6	3.0	
FY 2022-23	357.6	357.9	354.9	3.0	
FY 2023-24	366.3	366.7	363.6	3.1	
FY 2024-25	375.4	375.8	372.7	3.1	
FY 2025-26	384.9	385.3	382.1	3.2	
FY 2026-27	394.9	395.3	392.0	3.3	
FY 2027-28	405.3	405.6	402.4	3.2	
FY 2028-29	416.1	416.4	413.1	3.3	
FY 2029-30	427.4	427.8	424.5	3.3	
FY 2030-31	439.3	439.7	436.4	3.3	
FY 2031-32	451.8	451.8	448.4	3.4	
FY 2032-33	464.9	464.9	461.4	3.5	

TOBACCO SETTLEMENT PAYMENTS FORECAST

FINAL

December 2, 2020

The Conference package was revised beginning February 2019 to address the following issue and is not strictly comparable to earlier releases: On January 18, 2017, the State of Florida filed a Motion to Join ITG Brands, LLC as a Defendant and to enforce the Settlement Agreement in the State of Florida, et. al., v. Am. Tobacco Co., R.J. Reynolds Tobacco Co., et. al., No. 95-1466 AH (Fla. 15th Cir. Ct.). On August 18, 2018, the Circuit Court entered a final judgment specifying the principal sum and interest due from R.J. Reynolds to the State of Florida for the period June 12, 2015, through April 30, 2018, as well as providing guidance on how any future unpaid liability to the State should be calculated. In addition, the final judgment reflected the court's rulings issued December 27, 2017, and May 24, 2018, collectively known as the "Liability Orders." R.J. Reynolds subsequently appealed the lower court's decision regarding its liability. On July 29, 2020, the District Court of Appeal unanimously affirmed the lower court's final judgment in all respects, and on September 18, 2020, denied the Appellant's motion for rehearing, rehearing en banc, and certification to the Florida Supreme Court. In response, R.J. Reynolds paid the State of Florida \$192,869,589.86 million to cover the full amount of the outstanding judgment (inclusive of principal and interest). This amount was deposited into the General Revenue Fund on October 6, 2020. Notwithstanding this payment, R.J. Reynolds filed Notice to Invoke Discretionary Jurisdiction of the Florida Supreme Court on October 15, 2020, seeking review of the District Court of Appeal's opinion. As of December 2, 2020 the Florida Supreme Court has not yet decided whether to grant discretionary review for this case.

Tobacco Settlement Payments to Florida
Calculation of Inflation Adjustment to Annual Settlement Payment

		December	Annual Payment			
		Consumer Price	Percent Change	Settlement	Settlement	Inflation
		Index	(Inflation)	Inflation Factor	Inflation Index	Adjustment
CY 1997	FY 1997-98	161.300			100.00000	1.0000
CY 1998	FY 1998-99	163.900	1.61190%	3.00000%	100.00000	1.0000
CY 1999	FY 1999-00	168.300	2.68456%	3.00000%	103.00000	1.0300
CY 2000	FY 2000-01	174.000	3.38681%	3.38681%	106.48841	1.0649
CY 2001	FY 2001-02	176.700	1.55172%	3.00000%	109.68306	1.0968
CY 2002	FY 2002-03	180.900	2.37691%	3.00000%	112.97355	1.1297
CY 2003	FY 2003-04	184.300	1.87949%	3.00000%	116.36276	1.1636
CY 2004	FY 2004-05	190.300	3.25556%	3.25556%	120.15102	1.2015
CY 2005	FY 2005-06	196.800	3.41566%	3.41566%	124.25497	1.2425
CY 2006	FY 2006-07	201.800	2.54065%	3.00000%	127.98262	1.2798
CY 2007	FY 2007-08	210.036	4.08127%	4.08127%	133.20593	1.3321
CY 2008	FY 2008-09	210.228	0.09141%	3.00000%	137.20211	1.3720
CY 2009	FY 2009-10	215.949	2.72133%	3.00000%	141.31817	1.4132
CY 2010	FY 2010-11	219.179	1.49572%	3.00000%	145.55772	1.4556
CY 2011	FY 2011-12	225.672	2.96242%	3.00000%	149.92445	1.4992
CY 2012	FY 2012-13	229.601	1.74102%	3.00000%	154.42218	1.5442
CY 2013	FY 2013-14	233.049	1.50174%	3.00000%	159.05485	1.5905
CY 2014	FY 2014-15	234.812	0.75649%	3.00000%	163.82650	1.6383
CY 2015	FY 2015-16	236.525	0.72952%	3.00000%	168.74130	1.6874
CY 2016	FY 2016-17	241.432	2.07462%	3.00000%	173.80354	1.7380
CY 2017	FY 2017-18	246.524	2.10908%	3.00000%	179.01765	1.7902
CY 2018	FY 2018-19	251.233	1.91016%	3.00000%	184.38818	1.8439
CY 2019	FY 2019-20	256.974	2.28513%	3.00000%	189.91983	1.8992
CY 2020	FY 2020-21	260.1	1.233%	3.000%	195.617	1.9562
CY 2021	FY 2021-22	266.8	2.547%	3.000%	201.486	2.0149
CY 2022	FY 2022-23	273.4	2.487%	3.000%	207.531	2.0753
CY 2023	FY 2023-24	279.0	2.056%	3.000%	213.756	2.1376
CY 2024	FY 2024-25	284.9	2.121%	3.000%	220.169	2.2017
CY 2025	FY 2025-26	291.2	2.207%	3.000%	226.774	2.2677
CY 2026	FY 2026-27	298.1	2.372%	3.000%	233.577	2.3358
CY 2027	FY 2027-28	305.5	2.460%	3.000%	240.585	2.4058
CY 2028	FY 2028-29	313.0	2.459%	3.000%	247.802	2.4780
CY 2029	FY 2029-30	320.5	2.403%	3.000%	255.236	2.5524
CY 2030	FY 2030-31	328.2	2.398%	3.000%	262.893	2.6289
CY 2031	FY 2031-32	336.1	2.398%	3.000%	270.780	2.7078
CY 2032	FY 2032-33	344.1	2.398%	3.000%	278.904	2.7890

**Tobacco Settlement Payments to Florida
Calculation of Volume Ratio**

		TOTAL DOMESTIC CIGARETTE UNITS SOLD (Billions)	Percent Change	Prior Forecast	Change	Florida Definition Volume as share of U.S. volume	Florida Definition Volume (Billions)	Percent Change	Volume Ratio
CY 1997	FY 1997-98						471.248		1.000000
CY 1998	FY 1998-99						449.288	-4.66%	0.9534
CY 1999	FY 1999-00						404.252	-10.02%	0.8578
CY 2000	FY 2000-01						397.858	-1.58%	0.8443
CY 2001	FY 2001-02	398.3				95.37%	379.860	-4.52%	0.8061
CY 2002	FY 2002-03	376.4	-5.50%			96.00%	361.335	-4.88%	0.7668
CY 2003	FY 2003-04	360.5	-4.22%			94.48%	340.603	-5.74%	0.7228
CY 2004	FY 2004-05	361.3	0.22%			92.78%	335.232	-1.58%	0.7114
CY 2005	FY 2005-06	351.6	-2.68%			93.34%	328.173	-2.11%	0.6964
CY 2006	FY 2006-07	343.3	-2.36%			94.20%	323.395	-1.46%	0.6863
CY 2007	FY 2007-08	337.7	-1.63%			91.41%	308.676	-4.55%	0.6550
CY 2008	FY 2008-09	320.0	-5.24%			92.51%	296.025	-4.10%	0.6282
CY 2009	FY 2009-10	290.6	-9.19%			92.21%	267.969	-9.48%	0.5686
CY 2010	FY 2010-11	282.9	-2.65%			90.45%	255.883	-4.51%	0.5430
CY 2011	FY 2011-12	274.4	-3.00%			90.44%	248.162	-3.02%	0.5266
CY 2012	FY 2012-13	268.4	-2.19%			90.64%	243.277	-1.97%	0.5162
CY 2013	FY 2013-14	255.2	-4.92%			91.74%	234.108	-3.77%	0.4968
CY 2014	FY 2014-15	254.7	-0.20%			88.30%	224.895	-3.94%	0.4772
CY 2015	FY 2015-16	244.2	-4.12%			91.94%	224.521	-0.17%	0.4764
CY 2016	FY 2016-17	240.5	-1.52%			91.23%	219.402	-2.28%	0.4656
CY 2017	FY 2017-18	216.9	-9.81%			96.05%	208.323	-5.05%	0.4421
CY 2018	FY 2018-19	204.2	-5.88%			96.05%	196.080	-5.88%	0.4161
CY 2019	FY 2019-20	192.9	-5.50%			94.45%	182.222	-7.07%	0.3867
CY 2020	FY 2020-21	187.6	-2.75%	-3.77%	1.02%	94.45%	177.211	-2.75%	0.3760
CY 2021	FY 2021-22	182.4	-2.78%	-2.78%	0.00%	94.45%	172.285	-2.78%	0.3656
CY 2022	FY 2022-23	179.4	-1.66%	-1.66%	0.00%	94.45%	169.425	-1.66%	0.3595
CY 2023	FY 2023-24	176.5	-1.62%	-1.62%	0.00%	94.45%	166.680	-1.62%	0.3537
CY 2024	FY 2024-25	173.6	-1.63%	-1.63%	0.00%	94.45%	163.963	-1.63%	0.3479
CY 2025	FY 2025-26	170.8	-1.61%	-1.61%	0.00%	94.45%	161.323	-1.61%	0.3423
CY 2026	FY 2026-27	168.1	-1.58%	-1.58%	0.00%	94.45%	158.774	-1.58%	0.3369
CY 2027	FY 2027-28	165.4	-1.58%	-1.58%	0.00%	94.45%	156.266	-1.58%	0.3316
CY 2028	FY 2028-29	162.9	-1.56%	-1.56%	0.00%	94.45%	153.828	-1.56%	0.3264
CY 2029	FY 2029-30	160.4	-1.53%	-1.53%	0.00%	94.45%	151.474	-1.53%	0.3214
CY 2030	FY 2030-31	158.0	-1.50%	-1.50%	0.00%	94.45%	149.202	-1.50%	0.3166
CY 2031	FY 2031-32	155.7	-1.45%	-1.45%	0.00%	94.45%	147.039	-1.45%	0.3120
CY 2032	FY 2032-33	153.4	-1.44%	-1.44%	0.00%	94.45%	144.922	-1.44%	0.3075

Tobacco Settlement Payments to Florida
Calculation of Volume Adjustment to Annual Settlement Payment

			Volume Adjustment (1 - vol. ratio)	Youth Adjustment (volume adj. X .98)	Annual Payment Volume Adjustment (1 - youth adj.)
	Volume Ratio				
CY 1997	FY 1997-98	1.0000			
CY 1998	FY 1998-99	0.9534			
CY 1999	FY 1999-00	0.8578	0.1422	0.1393	0.8607
CY 2000	FY 2000-01	0.8443	0.1557	0.1526	0.8474
CY 2001	FY 2001-02	0.8061	0.1939	0.1900	0.8100
CY 2002	FY 2002-03	0.7668	0.2332	0.2286	0.7714
CY 2003	FY 2003-04	0.7228	0.2772	0.2717	0.7283
CY 2004	FY 2004-05	0.7114	0.2886	0.2829	0.7171
CY 2005	FY 2005-06	0.6964	0.3036	0.2975	0.7025
CY 2006	FY 2006-07	0.6863	0.3137	0.3075	0.6925
CY 2007	FY 2007-08	0.6550	0.3450	0.3381	0.6619
CY 2008	FY 2008-09	0.6282	0.3718	0.3644	0.6356
CY 2009	FY 2009-10	0.5686	0.4314	0.4227	0.5773
CY 2010	FY 2010-11	0.5430	0.4570	0.4479	0.5521
CY 2011	FY 2011-12	0.5266	0.4734	0.4639	0.5361
CY 2012	FY 2012-13	0.5162	0.4838	0.4741	0.5259
CY 2013	FY 2013-14	0.4968	0.5032	0.4932	0.5068
CY 2014	FY 2014-15	0.4772	0.5228	0.5123	0.4877
CY 2015	FY 2015-16	0.4764	0.5236	0.5131	0.4869
CY 2016	FY 2016-17	0.4656	0.5344	0.5237	0.4763
CY 2017	FY 2017-18	0.4421	0.5579	0.5468	0.4532
CY 2018	FY 2018-19	0.4161	0.5839	0.5722	0.4278
CY 2019	FY 2019-20	0.3867	0.6133	0.6011	0.3989
CY 2020	FY 2020-21	0.3760	0.6240	0.6115	0.3885
CY 2021	FY 2021-22	0.3656	0.6344	0.6217	0.3783
CY 2022	FY 2022-23	0.3595	0.6405	0.6277	0.3723
CY 2023	FY 2023-24	0.3537	0.6463	0.6334	0.3666
CY 2024	FY 2024-25	0.3479	0.6521	0.6390	0.3610
CY 2025	FY 2025-26	0.3423	0.6577	0.6445	0.3555
CY 2026	FY 2026-27	0.3369	0.6631	0.6498	0.3502
CY 2027	FY 2027-28	0.3316	0.6684	0.6550	0.3450
CY 2028	FY 2028-29	0.3264	0.6736	0.6601	0.3399
CY 2029	FY 2029-30	0.3214	0.6786	0.6650	0.3350
CY 2030	FY 2030-31	0.3166	0.6834	0.6697	0.3303
CY 2031	FY 2031-32	0.3120	0.6880	0.6742	0.3258
CY 2032	FY 2032-33	0.3075	0.6925	0.6786	0.3214

Tobacco Settlement Payments to Florida
Calculation of Annual Settlement Liability Schedule after Adjustments

		Settlement Agreement Annual Payment (\$ Millions)	Annual Payment Inflation Adjustment	Annual Payment Volume Adjustment	Adjusted Settlement Liability (\$ Millions)
CY 1997	FY 1997-98	750.0	<i>n/a</i>	<i>n/a</i>	750.0
CY 1998	FY 1998-99	343.5	<i>n/a</i>	<i>n/a</i>	343.5
CY 1999	FY 1999-00	712.1	1.0300	0.8607	631.3
CY 2000	FY 2000-01	739.6	1.0649	0.8474	667.4
CY 2001	FY 2001-02	822.1	1.0968	0.8100	730.3
CY 2002	FY 2002-03	590.3	1.1297	0.7714	514.5
CY 2003	FY 2003-04	440.0	1.1636	0.7283	372.9
CY 2004	FY 2004-05	440.0	1.2015	0.7171	379.1
CY 2005	FY 2005-06	440.0	1.2425	0.7025	384.1
CY 2006	FY 2006-07	440.0	1.2798	0.6925	390.0
CY 2007	FY 2007-08	440.0	1.3321	0.6619	388.0
CY 2008	FY 2008-09	440.0	1.3720	0.6356	383.7
CY 2009	FY 2009-10	440.0	1.4132	0.5773	358.9
CY 2010	FY 2010-11	440.0	1.4556	0.5521	353.6
CY 2011	FY 2011-12	440.0	1.4992	0.5361	353.6
CY 2012	FY 2012-13	440.0	1.5442	0.5259	357.3
CY 2013	FY 2013-14	440.0	1.5905	0.5068	354.7
CY 2014	FY 2014-15	440.0	1.6383	0.4877	351.5
CY 2015	FY 2015-16	440.0	1.6874	0.4869	361.5
CY 2016	FY 2016-17	440.0	1.7380	0.4763	364.2
CY 2017	FY 2017-18	440.0	1.7902	0.4532	357.0
CY 2018	FY 2018-19	440.0	1.8439	0.4278	347.0
CY 2019	FY 2019-20	440.0	1.8992	0.3989	333.4
CY 2020	FY 2020-21	440.0	1.9562	0.3885	334.4
CY 2021	FY 2021-22	440.0	2.0149	0.3783	335.4
CY 2022	FY 2022-23	440.0	2.0753	0.3723	340.0
CY 2023	FY 2023-24	440.0	2.1376	0.3666	344.8
CY 2024	FY 2024-25	440.0	2.2017	0.3610	349.7
CY 2025	FY 2025-26	440.0	2.2677	0.3555	354.7
CY 2026	FY 2026-27	440.0	2.3358	0.3502	359.9
CY 2027	FY 2027-28	440.0	2.4058	0.3450	365.2
CY 2028	FY 2028-29	440.0	2.4780	0.3399	370.6
CY 2029	FY 2029-30	440.0	2.5524	0.3350	376.2
CY 2030	FY 2030-31	440.0	2.6289	0.3303	382.0
CY 2031	FY 2031-32	440.0	2.7078	0.3258	388.1
CY 2032	FY 2032-33	440.0	2.7890	0.3214	394.4

Tobacco Settlement Payments to Florida
Calculation of Net Operating Profit Adjustment Liability

		A	B	C	D	E	F	G	H
				Original Inflation Adjusted Net Operating Base Profits (\$ Millions)	Recalculated Tax- Adjusted Net Operating Base Profits (\$ Millions)	Actual Net Operating Profits (\$ Millions)	Percent Change	Difference in profit from adjusted base (\$ Millions)	Florida Profit Adjustment Liability (5.5% of 25%) (\$ Millions)
	Settlement Inflation Factor	Base Profit Inflation Adjustment							
CY 1997	FY 1997-98	0.000%	1.0000	3,114.6	3,835.0				
CY 1998	FY 1998-99	3.000%	1.0300	3,208.0	3,950.0				
CY 1999	FY 1999-00	3.000%	1.0609	3,304.3	4,068.5	4,667.3		1,363.0	18.7
CY 2000	FY 2000-01	3.387%	1.0968	3,416.2	4,206.3	4,898.1	4.9%	1,481.9	20.4
CY 2001	FY 2001-02	3.000%	1.1297	3,518.7	4,332.5	4,885.2	-0.3%	1,366.5	18.8
CY 2002	FY 2002-03	3.000%	1.1636	3,624.2	4,462.5	4,530.6	-7.3%	906.4	12.5
CY 2003	FY 2003-04	3.000%	1.1985	3,733.0	4,596.4	854.7	-81.1%	-2,878.3	0.0
CY 2004	FY 2004-05	3.256%	1.2376	3,854.5	4,746.0	3,783.6	342.7%	-70.9	0.0
CY 2005	FY 2005-06	3.416%	1.2798	3,986.1	4,908.1	4,306.2	13.8%	320.1	4.4
CY 2006	FY 2006-07	3.000%	1.3182	4,105.7	5,055.4	4,665.4	8.3%	559.7	7.7
CY 2007	FY 2007-08	4.081%	1.3720	4,273.3	5,261.7	4,727.3	1.3%	454.0	6.2
CY 2008	FY 2008-09	3.000%	1.4132	4,401.5	5,419.5	4,938.5	4.5%	537.0	7.4
CY 2009	FY 2009-10	3.000%	1.4556	4,533.5	5,582.1	5,161.2	4.5%	627.7	8.6
CY 2010	FY 2010-11	3.000%	1.4992	4,669.5	5,749.6	5,465.0	5.9%	795.5	10.8
CY 2011	FY 2011-12	3.000%	1.5442	4,809.6	5,922.1	5,610.8	2.7%	801.2	11.0
CY 2012	FY 2012-13	3.000%	1.5905	4,953.9	6,099.7	5,722.9	2.0%	769.0	10.6
CY 2013	FY 2013-14	3.000%	1.6383	5,102.5	6,282.7	6,806.1	18.9%	1,703.6	23.4
CY 2014	FY 2014-15	3.000%	1.6874	5,255.6	6,471.2	6,489.8	-4.6%	1,234.2	17.0
CY 2015	FY 2015-16	3.000%	1.7380	5,413.3	6,665.3	7,349.5	13.2%	1,936.2	26.6
CY 2016	FY 2016-17	3.000%	1.7902	5,575.7	6,865.3	7,884.7	7.3%	2,309.0	31.7
CY 2017	FY 2017-18	3.000%	1.8439	5,742.9	7,071.3	8,124.9	3.0%	2,382.0	32.8
CY 2018	FY 2018-19	3.000%	1.8992	5,915.2	7,283.4	10,162.2	25.1%	2,878.8	39.6
CY 2019	FY 2019-20	3.000%	1.9562		7,501.9	10,936.4	7.6%	3,434.5	47.2
CY 2020	FY 2020-21	3.000%	2.0149		7,727.0	11,465.1	4.8%	3,738.1	51.4
CY 2021	FY 2021-22	3.000%	2.0753		7,958.8	12,019.3	4.8%	4,060.6	55.8
CY 2022	FY 2022-23	3.000%	2.1376		8,197.5	12,600.4	4.8%	4,402.8	60.5
CY 2023	FY 2023-24	3.000%	2.2017		8,443.5	13,209.5	4.8%	4,766.0	65.5
CY 2024	FY 2024-25	3.000%	2.2677		8,696.8	13,848.1	4.8%	5,151.3	70.8
CY 2025	FY 2025-26	3.000%	2.3358		8,957.7	14,517.5	4.8%	5,559.8	76.4
CY 2026	FY 2026-27	3.000%	2.4058		9,226.4	15,219.3	4.8%	5,992.9	82.4
CY 2027	FY 2027-28	3.000%	2.4780		9,503.2	15,955.0	4.8%	6,451.8	88.7
CY 2028	FY 2028-29	3.000%	2.5524		9,788.3	16,726.3	4.8%	6,938.0	95.4
CY 2029	FY 2029-30	3.000%	2.6289		10,081.9	17,534.9	4.8%	7,452.9	102.5
CY 2030	FY 2030-31	3.000%	2.7078		10,384.4	18,382.5	4.8%	7,998.1	110.0
CY 2031	FY 2031-32	3.000%	2.7890		10,695.9	19,271.2	4.8%	8,575.2	117.9
CY 2032	FY 2032-33	3.000%	2.8727		11,016.8	20,202.7	4.8%	9,185.9	126.3

**Tobacco Settlement Payments to Florida
Combined Payment Liability (\$ Millions)**

	Calculated Annual Payment Liability	Adjustments for over/under Payments & Interest	Estimated Annual Payment Liability	Calculated Florida Profit Adjustment Liability	Adjustments for over/under Payments & Interest	Profit Plus Adjustments to Calculate Owed Amt	Liggett Settlement Agreement	Estimated Combined Payments Liability
FY 1997-98	750.0	0.0	750.0					750.0
FY 1998-99	343.5	0.0	343.5					343.5
FY 1999-00	631.3	0.0	631.3	37.4	3.3	40.7		672.0
FY 2000-01	667.4	0.0	667.4	40.8	0.0	40.8		708.2
FY 2001-02	730.3	-5.6	724.7	37.6	0.0	37.6		762.3
FY 2002-03	514.5	-3.7	510.8	25.0	-3.0	22.0		532.8
FY 2003-04	372.9	-11.5	361.4	0.0	0.0	0.0		361.4
FY 2004-05	379.1	-2.5	376.6	0.0	0.0	0.0		376.6
FY 2005-06	384.1	-1.8	382.3	4.4	-0.7	3.7		386.0
FY 2006-07	390.0	-3.3	386.7	7.7	-0.2	7.5		394.2
FY 2007-08	388.0	-1.5	386.5	6.2	-0.1	6.1		392.6
FY 2008-09	383.7	-5.9	377.8	7.4	0.0	7.4		385.2
FY 2009-10	358.9	-3.8	355.1	8.6	0.0	8.6		363.7
FY 2010-11	353.6	-2.5	351.1	10.8	-0.1	10.7	1.5	363.3
FY 2011-12	353.6	-10.5	343.1	11.0	2.3	13.3	0.3	356.7
FY 2012-13	357.3	-1.8	355.5	10.6	-0.2	10.4	0.3	366.2
FY 2013-14	354.7	-0.2	354.5	23.4	-1.8	21.6	0.3	376.4
FY 2014-15	351.5	-1.7	349.8	17.0	-0.8	16.2	0.3	366.3
FY 2015-16*	361.5	0.0	361.5	26.6	0.0	26.6	0.3	388.4
FY 2016-17*	364.2	0.0	364.2	31.7	0.0	31.7	0.3	396.2
FY 2017-18*	357.0	0.0	357.0	32.8	0.0	32.8	0.3	390.1
FY 2018-19*	347.0	0.0	347.0	39.6	-4.9	34.7	0.3	382.0
FY 2019-20*	333.4	0.0	333.4	47.2	-5.4	41.8	0.3	375.5
FY 2020-21	334.4	0.0	334.4	51.4	0.0	51.4	0.3	386.1
FY 2021-22	335.4	0.0	335.4	55.8	0.0	55.8	0.3	391.5
FY 2022-23	340.0	0.0	340.0	60.5	0.0	60.5	0.3	400.8
FY 2023-24	344.8	0.0	344.8	65.5	0.0	65.5	0.3	410.6
FY 2024-25	349.7	0.0	349.7	70.8	0.0	70.8	0.3	420.8
FY 2025-26	354.7	0.0	354.7	76.4	0.0	76.4	0.3	431.4
FY 2026-27	359.9	0.0	359.9	82.4	0.0	82.4	0.4	442.7
FY 2027-28	365.2	0.0	365.2	88.7	0.0	88.7	0.4	454.3
FY 2028-29	370.6	0.0	370.6	95.4	0.0	95.4	0.4	466.4
FY 2029-30	376.2	0.0	376.2	102.5	0.0	102.5	0.4	479.1
FY 2030-31	382.0	0.0	382.0	110.0	0.0	110.0	0.4	492.4
FY 2031-32	388.1	0.0	388.1	117.9	0.0	117.9		506.0
FY 2032-33	394.4	0.0	394.4	126.3	0.0	126.3		520.7

*Modified by Settlement Agreement

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

	Estimated Combined Payments Liability (minus Liggett)	Percent Received	Expected Payments from Original Settling Manufacturers	Payment Difference from Liability (annual loss)	December 2020	August 2020	Difference from August 2020 Expected Payments
					Expected Payments Forecast with Liggett	Expected Payments Forecast with Liggett	
FY 1997-98	750.0						
FY 1998-99	343.5						
FY 1999-00	672.0						
FY 2015-16	388.1						
FY 2016-17	395.9						
FY 2017-18	389.8						
FY 2018-19	381.7	96.7%	369.1		369.4	369.4	
FY 2019-20*	375.2	89.3%	335.0		335.3	335.3	
FY 2020-21	385.8	89.3%	344.5	-41.3	344.8	341.8	3.0
FY 2021-22	391.2	89.3%	349.3	-41.9	349.6	346.6	3.0
FY 2022-23	400.5	89.3%	357.6	-42.9	357.9	354.9	3.0
FY 2023-24	410.3	89.3%	366.3	-44.0	366.7	363.6	3.1
FY 2024-25	420.5	89.3%	375.4	-45.1	375.8	372.7	3.1
FY 2025-26	431.1	89.3%	384.9	-46.2	385.3	382.1	3.2
FY 2026-27	442.3	89.3%	394.9	-47.4	395.3	392.0	3.3
FY 2027-28	453.9	89.3%	405.3	-48.6	405.6	402.4	3.2
FY 2028-29	466.0	89.3%	416.1	-49.9	416.4	413.1	3.3
FY 2029-30	478.7	89.3%	427.4	-51.3	427.8	424.5	3.3
FY 2030-31	492.0	89.3%	439.3	-52.7	439.7	436.4	3.3
FY 2031-32	506.0	89.3%	451.8	-54.2	451.8	448.4	3.4
FY 2032-33	520.7	89.3%	464.9	-55.8	464.9	461.4	3.5

*Addressed by
Settlement Payment
10/6/2020*

*Addressed by
Settlement Payment
10/6/2020*

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

	December 2020	August 2020		Outstanding Lawsuit-
Expected	Expected	Expected	Difference from	Related Loss
Payments from	Payments	Payments	August 2020	(cumulative with
Original Settling	Forecast with	Forecast with	Expected	interest as of
Manufacturers	Liggett	Liggett	Payments	12/02/2020)
FY 1997-98				
FY 1998-99				
FY 1999-00				
FY 2000-01				
FY 2001-02				
FY 2002-03				
FY 2003-04				
FY 2004-05				
FY 2005-06				
FY 2006-07				
FY 2007-08				
FY 2008-09				
FY 2009-10				
FY 2010-11				
FY 2011-12				
FY 2012-13				
FY 2013-14				
FY 2014-15				
FY 2015-16				
FY 2016-17				
FY 2017-18				
FY 2018-19				
FY 2019-20	335.0	335.3	335.3	0.0
FY 2020-21	344.5	344.8	341.8	3.0
FY 2021-22	349.3	349.6	346.6	3.0
FY 2022-23	357.6	357.9	354.9	3.0
FY 2023-24	366.3	366.7	363.6	3.1
FY 2024-25	375.4	375.8	372.7	3.1
FY 2025-26	384.9	385.3	382.1	3.2
FY 2026-27	394.9	395.3	392.0	3.3
FY 2027-28	405.3	405.6	402.4	3.2
FY 2028-29	416.1	416.4	413.1	3.3
FY 2029-30	427.4	427.8	424.5	3.3
FY 2030-31	439.3	439.7	436.4	3.3
FY 2031-32	451.8	451.8	448.4	3.4
FY 2032-33	464.9	464.9	461.4	3.5

*Addressed by Settlement
Payment 10/6/2020*