

**ATTORNEY GENERAL
DEPARTMENT OF JUSTICE**

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

JOHN M. FORMELLA
ATTORNEY GENERAL



JAMES T. BOFFETTI
DEPUTY ATTORNEY GENERAL

To: Christopher Shea, Deputy Legislative Budget Assistant
From: Warren Cormack, Attorney
Date: February 2, 2023
Re: Tobacco Master Settlement Agreement Payment Estimate 2023 – 2025

This memorandum is submitted in response to your request for updated estimates of New Hampshire's Tobacco Master Settlement Agreement ("MSA") payments for payment years 2023 through 2025.

Each year, New Hampshire receives an allocated MSA payment from the tobacco manufacturers who participate in the MSA. The amount that New Hampshire receives is a function of changes in the domestic marketplace for cigarettes, adjusted upward for inflation, downward for decreases in the national market for cigarettes, and downward again if manufacturers who signed the MSA lose market share to manufacturers who have not signed the MSA. In 2022, New Hampshire received an MSA payment of \$48,992,504.33.

MSA payment predictions are rough estimates. In recent years, inflation and tobacco company profits have fluctuated, making predictions difficult. New Hampshire's estimated MSA payments are currently around \$42,000,000 for 2023, \$40,000,000 for 2024, and \$38,500,000 for 2025. These estimates will change as the factors that contribute to them change.