

# Revenue Estimating Conference for Tobacco Settlement Payments

## Executive Summary

### April 11, 2025

The Revenue Estimating Conference met on April 11, 2025, to revise the forecast of Tobacco Settlement payments for FY 2024-25 through FY 2033-34.

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. Moreover, the profit adjustment may be further increased or decreased based on data revisions related to the calculation of the annual payment received in the preceding December. Both payments continue in perpetuity.

When the Conference last convened in February 2025, the December 2024 annual payment had been received by the State of Florida. Since then, adjustments have been made that reduce the liability for that payment. This was largely due to a greater-than-expected decline in Florida domestic cigarette units sold. In addition, the profit adjustment itself came in lower than expected in February. Combined, the loss to the estimate for FY 2024-25 was \$15.9 million. After incorporating the final data for FY 2024-25 and adjustments to the sales volume portion of the forecast, the Conference discussed the industry's outlook and identified the need for an in-depth review of future profits as part of its next meeting.

Combined cash payments of \$327.9 million have been received from the original settling manufacturers for FY 2024-25, with an additional \$0.3 million expected from Liggett through a separate agreement. For FY 2025-26, \$333.0 is expected from the original settling manufactures, with another \$0.3 million expected from Liggett, producing a \$16.7 million reduction relative to the February forecast. The lower base continues to feed through the outer years of the forecast. For the original settling manufacturers, the downward revisions to the February forecast range from \$17.2 million in FY 2026-27 to \$22.0 million in FY 2033-34. Expectations for the Liggett payments are unchanged.

The table below shows the newly estimated settlement payments to the State of Florida from both the original settling manufacturers and Liggett, as well as the change from the previous forecast.

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

	Prior Forecast February 2025	April 2025 Expected Payments Forecast with Liggett	Difference
FY 2023-24	352.2	352.2	0.0
FY 2024-25	344.1	328.2	-15.9
FY 2025-26	350.0	333.3	-16.7
FY 2026-27	355.8	338.6	-17.2
FY 2027-28	361.9	344.1	-17.8
FY 2028-29	368.3	349.9	-18.4
FY 2029-30	375.2	356.2	-19.0
FY 2030-31	382.4	362.6	-19.8
FY 2031-32	389.5	369.0	-20.5
FY 2032-33	397.4	376.2	-21.2
FY 2033-34	405.6	383.6	-22.0