

**Revenue Estimating Conference for Tobacco Settlement Payments
Executive Summary
January 7, 2026**

The Revenue Estimating Conference met on January 7, 2026, to revise the forecast of Tobacco Settlement payments for FY 2025-26 through FY 2034-35.

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.

When the Conference last convened in July 2025, the final payment for the 2024-25 fiscal year was known. Since then, the December 2025 payment has been received, coming in \$4.2 million below the projection made in the summer. This was largely due to a greater-than-expected decline in the Florida Definition Volume—the cigarettes shipped by the settling defendants. Inflation has been updated to align with the adopted National Economic Estimating Conference forecast, resulting in a higher Settlement Inflation Factor for FY 2026-27.

Since the Florida Definition Volume came in 1.68% lower than the July forecast, the Conference strengthened the rate of decline for the first three fiscal years. Starting FY 2029-30, the rates of decline align with the Tobacco Tax and Surcharge Estimating Conference's adopted cigarette forecast. In addition, the Conference has maintained the previously adopted profit adjustment payment. Expectations for the Liggett payments are unchanged.

After adjusting to incorporate the new information, combined cash payments of \$317.9 million are now expected for the 2025-26 fiscal year, a decrease of \$4.2 million (-1.3 percent) from the July 22, 2025, forecast. The lower base feeds through the outer years of the forecast. The downward revisions vary from \$6.4 million in FY 2026-27 to \$8.9 million in FY 2034-35.

The table below shows the newly estimated settlement payments to the State of Florida and the change from the previous forecast.

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

	January 2026 Expected		Difference
	Prior Forecast July 2025	Payments Forecast with Liggett	
FY 2024-25	328.0	328.0	0.0
FY 2025-26	322.1	317.9	-4.2
FY 2026-27	319.0	312.6	-6.4
FY 2027-28	318.8	310.0	-8.8
FY 2028-29	319.3	309.9	-9.4
FY 2029-30	320.0	310.6	-9.4
FY 2030-31	320.6	311.5	-9.1
FY 2031-32	321.0	311.9	-9.1
FY 2032-33	321.9	312.9	-9.0
FY 2033-34	323.0	314.1	-8.9
FY 2034-35	324.2	315.3	-8.9