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To: Christopher Shea, Deputy Legislative Budget Assistant
From: Warren Cormack, Assistant Attorney General
Date: January 31, 2025
Re: Tobacco Master Settlement Agreement Payment Estimate

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 2025 through 2027.

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.

MSA payment predictions are rough estimates and are subject to significant fluctuation until the final date of disbursement. The amount of the MSA payment is not known until the payment is made. As of today, the estimated amount of the April 2025 payment is around \$35,500,000.

New Hampshire's estimated MSA payments are currently around \$32,500,000 for payment year 2026 and \$30,000,000 for payment year 2027. These estimates are subject to change.