

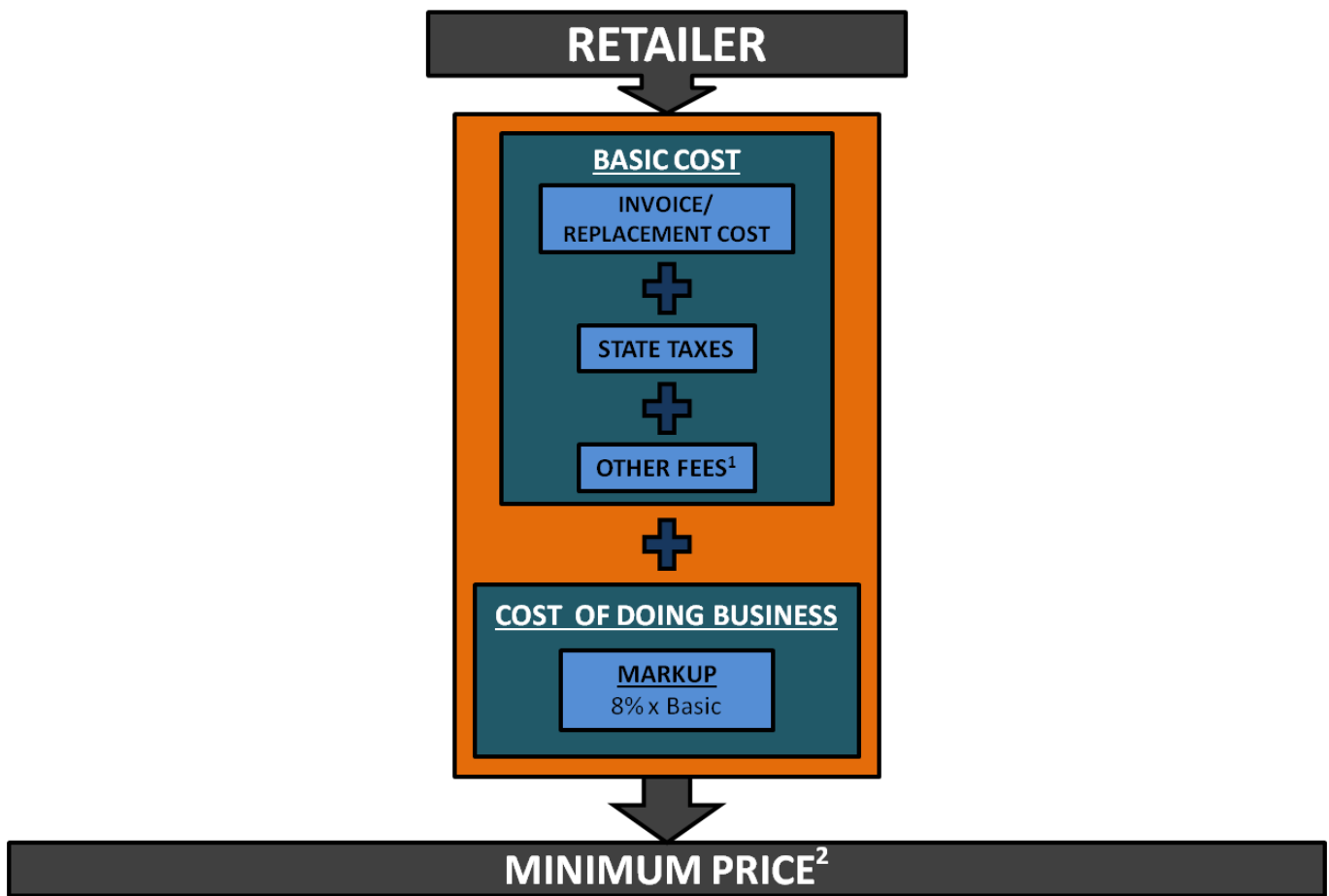
# Tennessee



Minimum Markup  Minimum Pricing

Yes  Blank No  -- Not Applicable/Addressed

## Cigarette Pricing – 2015



*Note: This state does not set a minimum price for OTP.*

## Formulating Price

### State Pricing Regulation Strength: Factors that Decrease versus Increase Statutory Price\*

Pricing Formula Elements That **DECREASE PRICE** ↓ Number of factors decreasing price: **Below Average**

Pricing Formula Elements That **INCREASE PRICE** ↓ Number of factors increasing price: **Below Average**

<b>Total Decrease Factors (State):</b>	<b>2</b>
<b>Average Decrease Factors (National):</b>	<b>3.2</b>
Below-Cost Combination Sales Explicitly Permitted	
Below-Cost Coupons Permitted	✓
Consumers Can Receive Below-Cost Coupons	✓
Trade Discounts Explicitly Permitted	
Trade Discounts Include Discount Programs	
Competitor Price-Matching Permitted	

<b>Total Increase Factors (State):</b>	<b>3</b>
<b>Average Increase Factors (National):</b>	<b>3.3</b>
≥ 2 Parties Regulated	
Markup Applied	✓
Taxes	✓
Cartage	
Other Costs	✓

*\*Note: See "How to Read" for an explanation of terms and factors, and "Methods" for detailed methodology.*

### Markup Rates Across Standard Distribution Chain

	Stamping Agent	Wholesaler/Distributor	Retailer/Dealer	Total Standard Markup	State vs Nat'l Total Markups
Tennessee			8%	<b>8%</b>	--
<b>Nat'l Average Markup of States Where Distribution Level Regulated</b>	1.15% (N=3)	3.67% (N=26)	8.02% (N=24)	<b>12.84%</b>	↓ <i>Below Average</i>
<b>Nat'l Average Markup of All Markup States (N=27)</b>	0.13%	3.53%	7.13%	<b>10.79%</b>	↓ <i>Below Average</i>

## Combination Sales

### Types of Combination Sales Permitted

Buy-One-Get-One or Multi-Pack	
Tobacco Product + Coupon	
Tobacco Product + Non-Tobacco Product	

## Coupons

### Who May Distribute Coupons to Consumers?

Manufacturer	✓
Wholesaler/Distributor	

Retailer/Dealer	
Distributing Party Not Addressed	

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## Footnotes

### Tennessee- Cigarette

1. Included in the formula for the basic cost for retailers are additional fees required by the state's tobacco tax laws (title 67, chapter 4, part 10), if not already included by the manufacturer." Tenn. Code Ann. § 47-25-302.
2. Unlike most states, Tennessee does not regulate prices at the wholesale level. Its minimum pricing scheme applies only to retailers. Tenn. Dep't of Revenue, "Unfair Cigarette Sales" (April 1998).