

## Idaho

## **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** 

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

#### Pricing Formula Elements That INCREASE PRICE

Number of factors increasing price: Below Average

Total Increase Factors (State):	0
Average Increase Factors (National):	3.3
≥ 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
Idaho					
Nat'l Average Markup of States Where Distribution Level Regulated	1.15% (N=3)	3.668% (N=26)	8.021% (N=24)	12.839%	
Nat'l Average Markup of All Markup States (N=27)	0.128%	3.532%	7.13%	10.79%	

## **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	$\checkmark$

# **Footnotes**

### Idaho- Cigarette

- 1. Idaho's minimum pricing laws exist within its sampling and access laws, where they prohibit the distribution of free or "below cost" tobacco products (defined to include cigarettes). I.C. §§ 39-5702. These laws directly address the distribution of cigarettes and tobacco products, but do not apply a presumptive "cost of doing business" or similar markup to the base "cost." I.C. §§ 39-5702.
- 2. The laws only regulate sales at the retailer level, and do not regulate wholesale prices. I.C. § 63-2551. This was verified through a phone conversation with Terry Pappin of the Idaho Dept. of Health and Welfare's Idaho Tobacco Project on January 17, 2014.
- 3. Idaho does not define "cost," nor have state courts or officials formally addressed this issue.

## Idaho- OTP

- 1. Idaho's minimum pricing laws exist within its sampling and access laws, where they prohibit the distribution of free or "below cost" tobacco products. I.C. §§ 39-5702. These laws directly address the distribution of cigarettes and tobacco products, but do not apply a presumptive "cost of doing business" or similar markup to the base "cost." I.C. §§ 39-5702.
- 2. Idaho applies its minimum pricing laws to "tobacco products," which are defined to include cigars, pipes, snuff, smoking tobacco, tobacco papers, or smokeless tobacco. I.C. §§ 39-5702.
- 3. Idaho only regulates sales at the retailer level, and does not regulate wholesale prices. I.C. § 63-2551. This was verified through a phone conversation with Terry Pappin of the Idaho Dept. of Health and Welfare's Idaho Tobacco Project on January 17, 2014.
- 4. Idaho does not define "cost," nor have state courts or officials formally addressed this issue.