

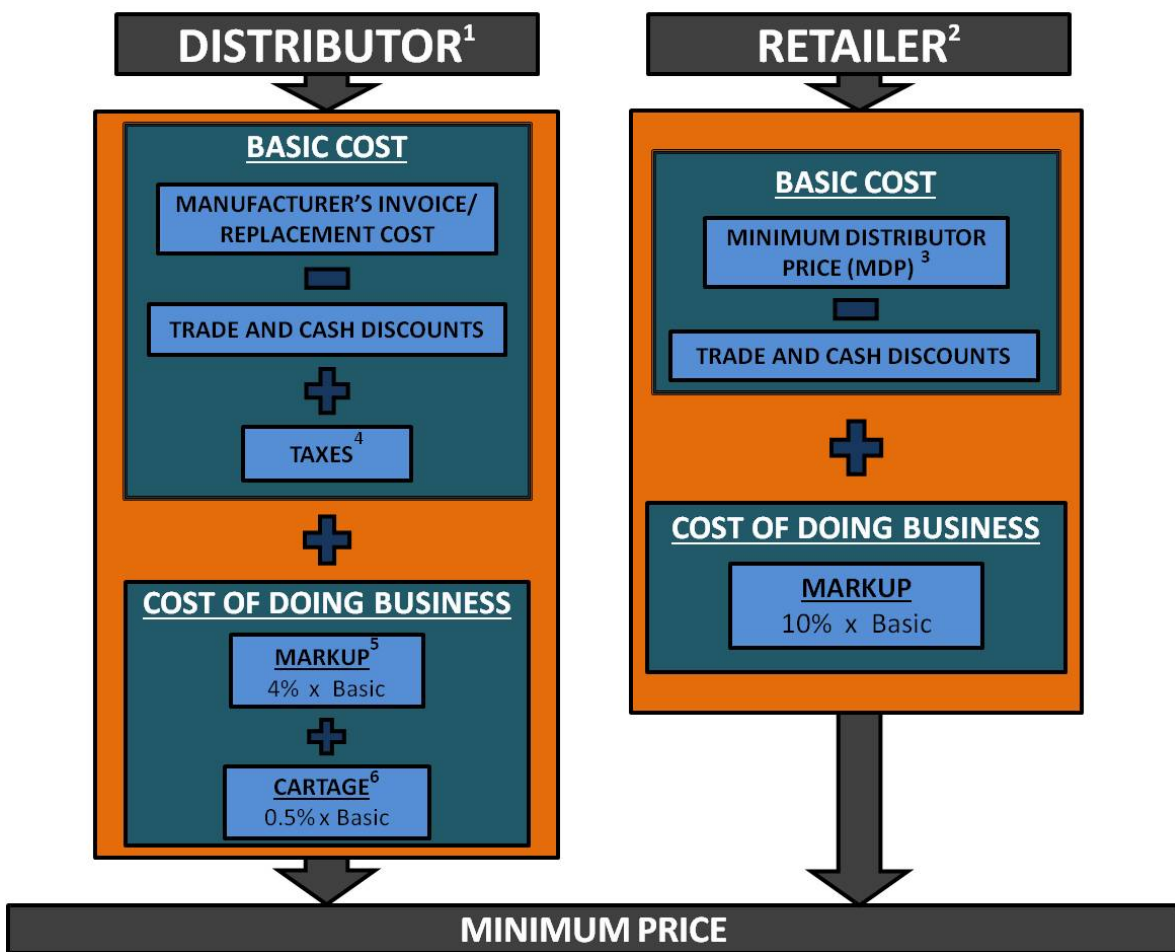
# Indiana



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: **Above Average**

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

<b>Total Decrease Factors (State):</b>	<b>4</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>4</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
<b>Indiana</b>		4%	10%	<b>14%</b>	--
<b>Nat'l Average Markup of States Where Distribution Level Regulated</b>	1.15% (N=3)	3.668% (N=26)	8.021% (N=24)	<b>12.839%</b>	↑ Above Average
<b>Nat'l Average Markup of All Markup States (N=27)</b>	0.128%	3.532%	7.13%	<b>10.79%</b>	↑ Above Average

## 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		Retailer/Dealer	
Wholesaler/Distributor		Distributing Party Not Addressed	✓

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## Footnotes

### Indiana- Cigarette

1. Where distributors sell to other distributors, the seller is not required to apply the minimum markup. However, any subsequent sale to a retailer must abide by the state's minimum pricing laws. Burns Ind. Code Ann. § 24-3-2-5.
2. Any retailer who receives discounts typically only given to wholesalers must include the "cost to the distributor" in its computation of minimum price at the retail level. Burns Ind. Code Ann. § 24-3-2-2. We've interpreted this to mean a retailer is, in essence, acting as both wholesaler and retailer, and must apply both markups accordingly.
3. The statute uses the phrase "invoice cost of cigarettes **to the retailer.**" In practical terms, this is the minimum price the products can be purchased from the distributor (i.e. "minimum distributor price" or "MDP") Burns Ind. Code Ann. § 24-3-2-2(i)
4. The statute uses the phrase "full face value of any stamps which may be required by law," which we have interpreted to mean any applicable Federal, state, and local taxes that are not otherwise included in the invoice cost. Burns Ind. Code Ann. § 24-3-2-2(g).
5. Where one distributor sells to another distributor, the former is not required to apply the markup. However, any subsequent sale to retailer must abide by the state's minimum pricing laws. Burns Ind. Code Ann. § 24-3-2-5.
6. Cartage is included in the cost of doing business ONLY where it is paid for or performed by the distributor. Burns Ind. Code Ann. § 24-3-2-2(j).