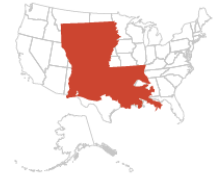


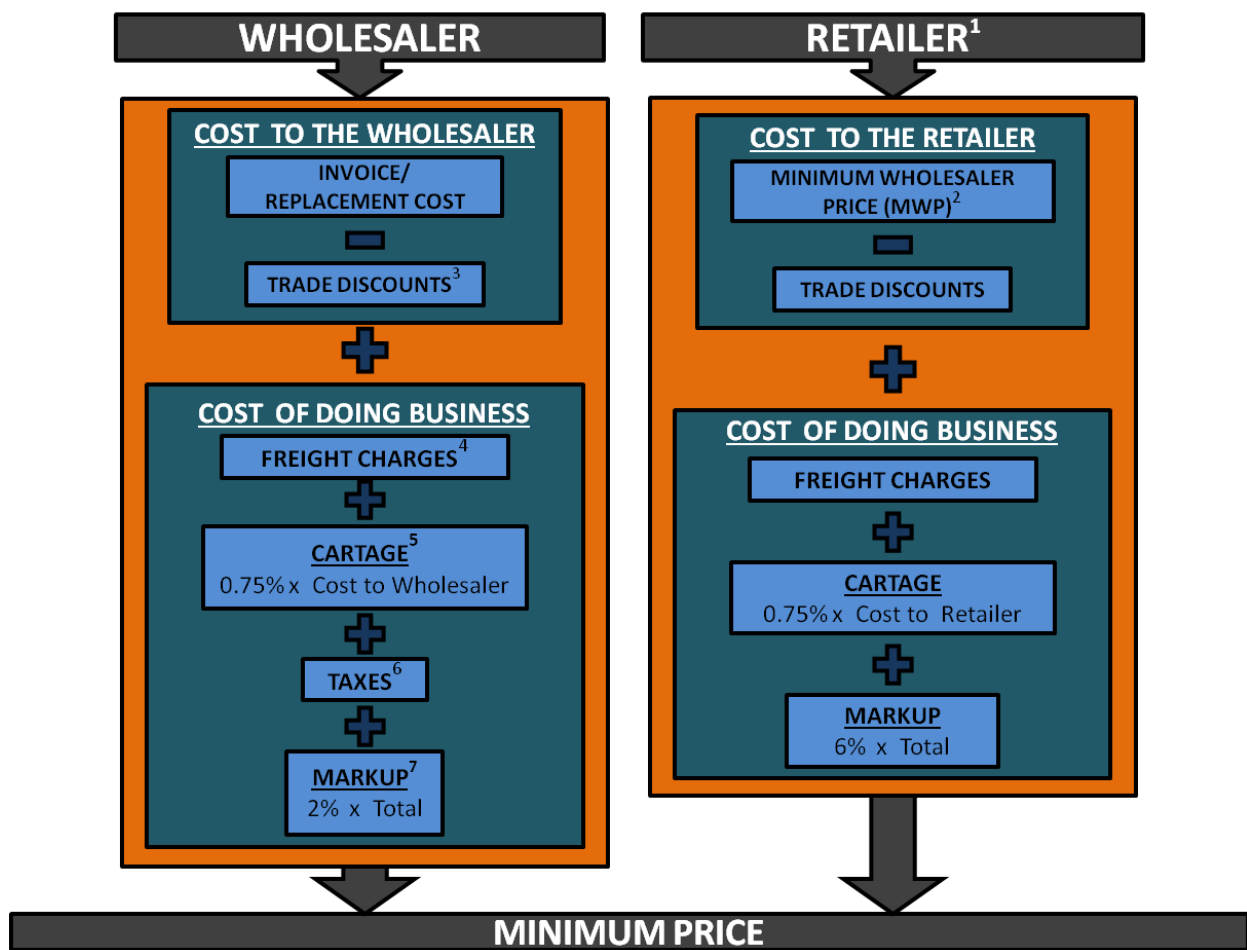
Louisiana



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**

Total Decrease Factors (State):	4
Average Decrease Factors (National):	3.2
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	✓

Total Increase Factors (State):	5
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
Louisiana		2%	6%	8%	--
Nat'l Average Markup of States Where Distribution Level Regulated	1.15% (N=3)	3.668% (N=26)	8.021% (N=24)	12.839%	↓ <i>Below Average</i>
Nat'l Average Markup of All Markup States (N=27)	0.128%	3.532%	7.13%	10.79%	↓ <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		Retailer/Dealer	
Wholesaler/Distributor		Distributing Party Not Addressed	✓

Footnotes

Louisiana- Cigarette

1. In instances “where the retailer buys at wholesale and receives the wholesalers' profits and discounts on merchandise to be sold at retail,” both the wholesaler and retailer markup are to be applied to the cost of doing business. LSA-R.S. 51:421(H)
2. The statute uses the term “invoice cost, or the replacement cost, of the merchandise to the retailer.” In practical terms, this is the minimum price the products can be purchased from the wholesaler (“minimum wholesaler price” or “MWP”). Additionally, it is assumed that applicable taxes have been applied at the wholesale level; however, where taxes have not already been included for any reason, they are to be included here.
3. Trade discounts do not include customary discounts for cash payments, nor “discounts from the state or any governmental agency allowed for the payment of collection of any taxes.” LSA-R.S. 51:421(G)(1)
4. In all instances, regardless of party, freight charges are only added if they are not already included in the invoice or replacement cost of the cigarettes. LSA-R.S. 51:421(F)(2)(a)
5. Cartage is only applied if performed or paid for by the respective party. LSA-R.S. 51:421(F)(2)(b)
6. The statute uses the phrase “[a]ny existing tobacco stamp excise tax,” which we have reduced to “taxes.” LSA-R.S. 51:421(G)(2)(c)
7. The markup is applied as a percentage of the total of: the cost to the respective wholesaler or retailer; and applicable freight charges, cartage, and taxes. LSA-R.S. 51:421(G)(2)(d)