

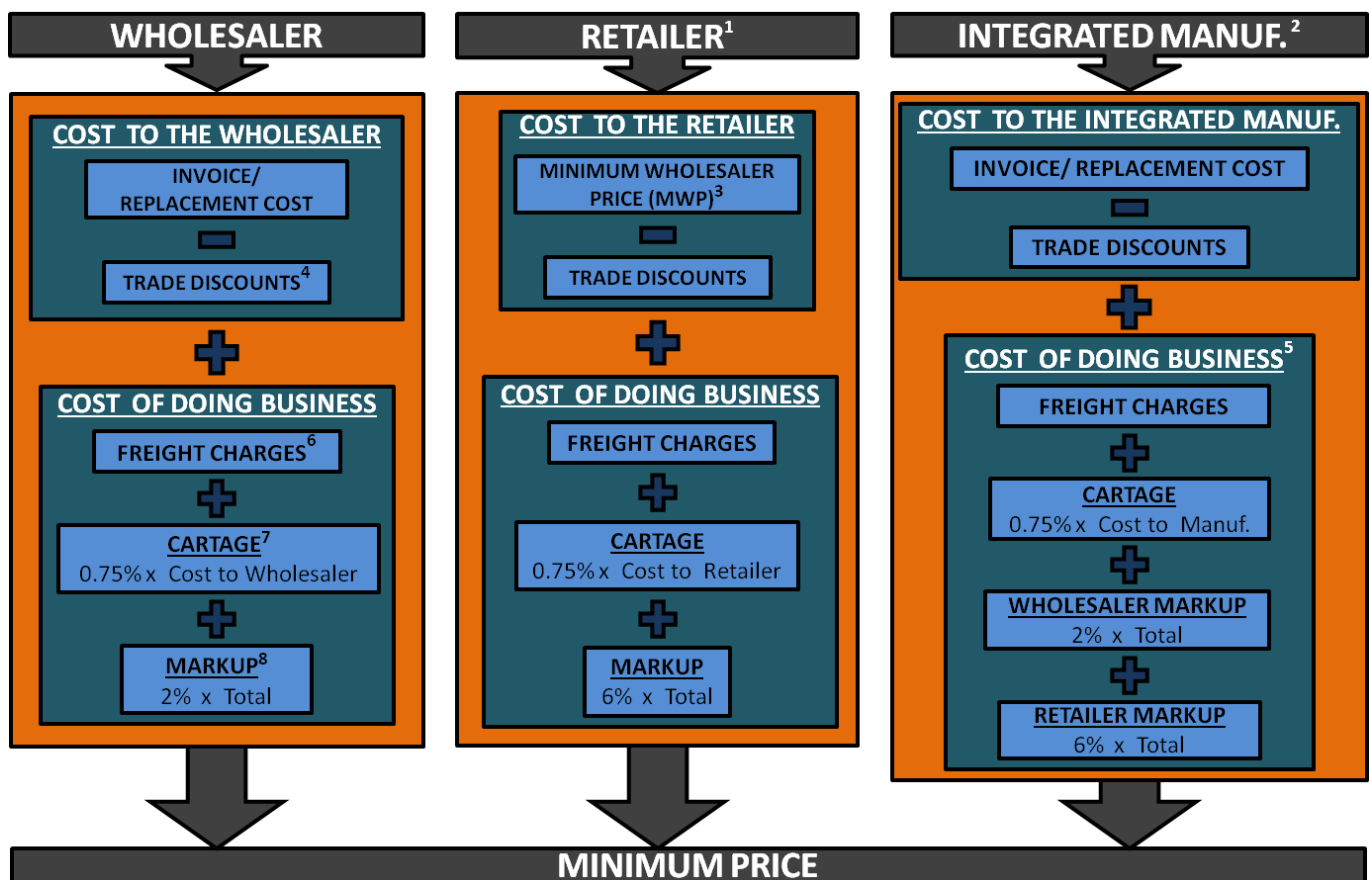
# Maine



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>Maine</b>		2%	6%	<b>8%</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>	↓ <i>Below Average</i>
<b>Nat'l Average Markup of All Markup States (N=27)</b>	0.128%	3.532%	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		Retailer/Dealer	
Wholesaler/Distributor		Distributing Party Not Addressed	✓

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## Footnotes

### Maine- Cigarette

1. Any retailer who receives discounts typically only given to wholesalers must include the wholesaler's "cost of doing business" in its computation of minimum price at the retail level. 10 M.R.S.A. § 1202(8).
2. What we have termed an "integrated manufacturer" is a manufacturer that is also involved at the wholesaler and/or retailer level. Here, it is described as a retailer who "sells at retail any merchandise which is the product of his or its own manufacture." 10 M.R.S.A. § 1202(1).
3. A retailer's basic cost is calculated using the "invoice cost of the merchandise to the retailer." 10 M.R.S.A. § 1202(1). In practical terms, this is the minimum price the products can be purchased from the wholesaler ("minimum wholesale price" or "MWP").
4. Trade discounts do not include customary discounts for cash payments. 10 M.R.S.A. § 1202(1-2).
5. Where a retailer is also the manufacturer, both the wholesaler and retailer's respective markups are included in the manufacturer's cost of doing business. 10 M.R.S.A. § 1202(8).
6. 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. 10 M.R.S.A. § 1202(1-2).
7. Cartage is only applied if performed or paid for by that particular party. 10 M.R.S.A. § 1202(1-2).
8. The markup is applied as a percentage of the "total cost at the [wholesale or] retail outlet" (the sum of the cost to the respective party, freight charges, and cartage). 10 M.R.S.A. § 1202(1-2).