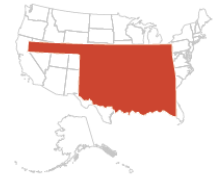


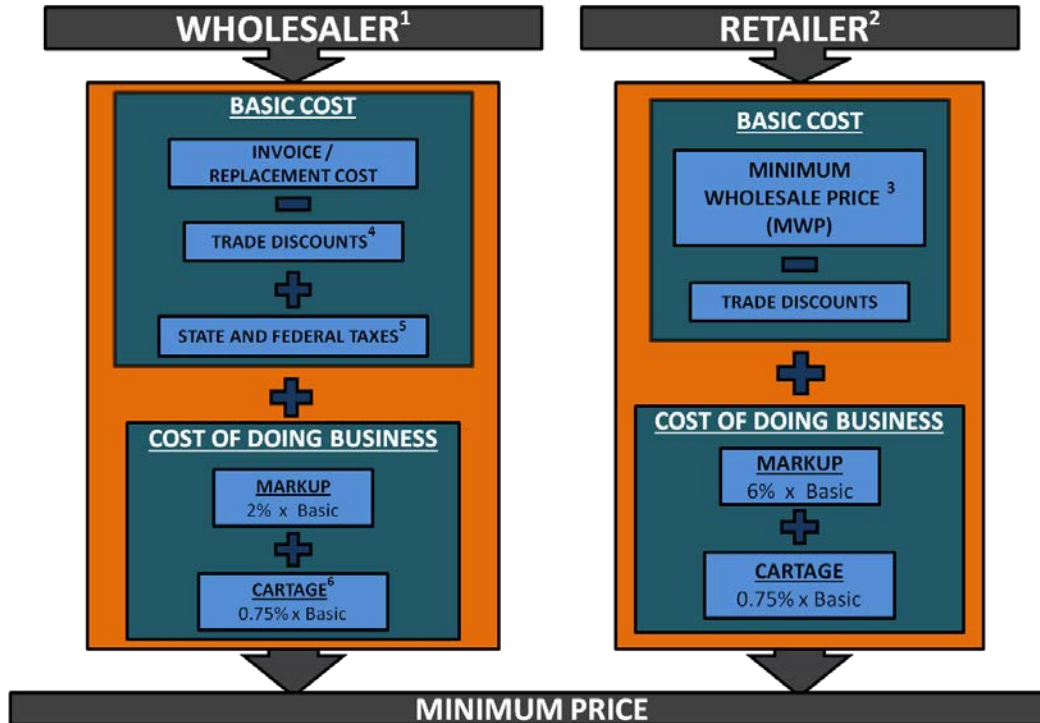
Oklahoma



Minimum Markup Minimum Pricing

Yes Blank No -- Not Applicable/Addressed

Cigarette Pricing – 2015



OTP Pricing – 2015

State OTP pricing scheme matches Cigarette Pricing? Yes No

Types of OTP Regulated

Tobacco Products	<input checked="" type="checkbox"/>	Moist Snuff	<input type="checkbox"/>
Cigars	<input checked="" type="checkbox"/>	Dry Snuff	<input type="checkbox"/>
Little Cigars	<input type="checkbox"/>	Snus/Smokeless	<input type="checkbox"/>
Pipe Tobacco	<input checked="" type="checkbox"/>	Bidis	<input checked="" type="checkbox"/>
Chewing Tobacco	<input checked="" type="checkbox"/>	Other	<input checked="" type="checkbox"/>
Total Products			6

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):	5
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):	4
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
Oklahoma		2%	6%	8%	--
Nat'l Average Markup of States Where Distribution Level Regulated	1.15% (N=3)	3.67% (N=26)	8.02% (N=24)	12.84%	↓ <i>Below Average</i>
Nat'l Average Markup of All Markup States (N=27)	0.13%	3.53%	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

Oklahoma- Cigarette

1. When a wholesaler sells to another wholesaler or sub-jobber, the minimum price is the basic cost of cigarettes, and no markup is added. However, when the purchasing wholesaler or sub-jobber subsequently sells to a retailer, normal wholesaler markups apply. Okla. Stat. tit. 68, §§ 331-32 (2011).
2. Where a retailer receives discounts typically afforded a wholesaler, the retailer must calculate a minimum cost as if it were purchased from a wholesaler (e.g. price must reflect wholesaler's statutory minimum price). Okla. Stat. tit. 68, § 330(c).
3. The statute uses the term "invoice cost of cigarettes and tobacco products to the retailer," which, in practical terms, is the minimum price the products can be purchased from the wholesaler. Okla. Stat. tit. 68, § 330(m) (2011).
4. Trade discounts do NOT include discounts for cash payments. 68 Okl.St.Ann. § 327
5. State and federal taxes are only added if not already included in the invoice cost. Okla. Stat. tit. 68, § 327(m).
6. Cartage is included if performed or paid for by that particular party. 68 Okl.St.Ann. § 329

Oklahoma- OTP

1. Oklahoma applies its OTP minimum markup scheme to the following OTP: bidis, cigars, cheroots, stogies, smoking tobacco (including pipe or cigarette), chewing tobacco; and any other articles or products made of tobacco or any substitute therefor. 68 Okl.St.Ann. § 327
2. When a wholesaler sells to another wholesaler or sub-jobber, the minimum price is the basic cost of cigarettes, and no markup is added. However, when the purchasing wholesaler or sub-jobber subsequently sells to a retailer, normal wholesaler markups apply. Okla. Stat. tit. 68, §§ 331-32 (2011).
3. Where a retailer receives discounts typically afforded a wholesaler, the retailer must calculate a minimum cost as if it were purchased from a wholesaler (e.g. price must reflect wholesaler's statutory minimum price). Okla. Stat. tit. 68, § 330(c).
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