

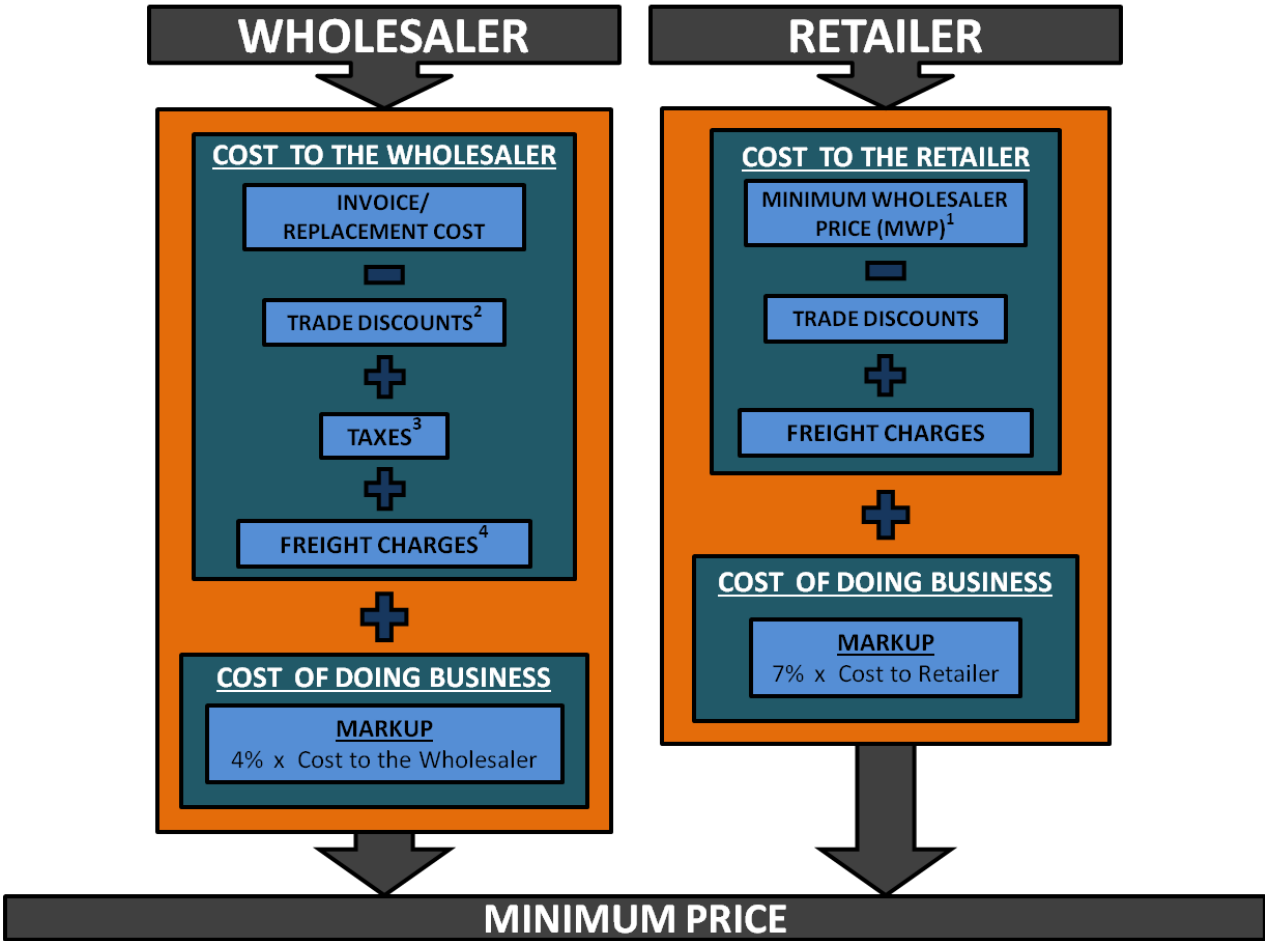
West Virginia



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):	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
West Virginia		4%	7%	11%	--
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>Above 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

West Virginia- Cigarette

1. The invoice or replacement cost to the retailer is to be used in calculating the cost to the retailer. W. VA. Code Ann. § 47-11A-6. As retailers are typically purchasing from wholesalers, the invoice cost to the retailer will be the “minimum wholesaler price,” or “MWP.”
2. Customary cash discounts are not considered “trade discounts” for calculation purposes, and should not be subtracted from the invoice cost when calculating the cost to the wholesaler or retailer. W. VA. Code Ann. § 47-11A-6.
3. The statute uses the phrase “applicable taxes,” which we have interpreted as all federal, state, and local taxes that are not already included in the invoice cost. W. VA. Code Ann. § 47-11A-6.
4. Freight charges are only added to the invoice cost if they have not already included. W. VA. Code Ann. § 47-11A-6.