

# **Unfair Cigarette Sales Law**

Notice #15-10 June 2015

# Minimum Markup Increase

### Increase from 8% to 15%

Generally, retailers may not advertise or sell cigarettes for less than the basic cost of the cigarettes plus a minimum markup amount, which is set by the Unfair Cigarette Sales Law. The Tennessee General Assembly recently passed legislation that increases the minimum markup from 8% to 15%.

### **Phased-in Increase**

This increase will be implemented in three phases between July 1, 2015 and July 1, 2017:

- 1. Beginning July 1, 2015 **11%** of the basic cost of cigarettes to the retailer.
- 2. Beginning July 1, 2016 **13%** of the basic cost of cigarettes to the retailer.
- 3. Beginning July 1, 2017, and thereafter **15%** of the basic cost of cigarettes to the retailer.

## **For More Information**

Visit <u>www.tn.gov/revenue</u>. Click on <u>Revenue Help</u> to search for answers or to submit an information request to one of our agents.

#### References

Tenn. Code Ann. § 47-25-302; Public Chapter 347 (2015)

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