

## 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 [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on [Revenue Help](#) 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)