



**NATIONAL LOCAL
ADVOCACY ALLIANCE**

Banning Coupons for Tobacco Products

Background

A ban on coupons prevents retailers from accepting tobacco product coupons and requires the retailer to refuse to accept legitimate manufacturer coupons from legal-age, adult customers.

Generally, a violation of a coupon ban law results in a fine assessed to the retailer and, for subsequent violations, may also involve the suspension or revocation of the retailer's license to sell cigarettes and other tobacco products.

Arguments Against Coupons

According to U.S. Supreme Court rulings, the First Amendment protects commercial speech in the form of truthful product price information to consumers.

- Under the First Amendment, manufacturers and retailers have a protected interest and a right in communicating price information about tobacco products through the use of coupons.
- Federal courts have held that “promotion” includes the redemption of discount coupons. Thus, cities and states are precluded from banning coupons for legal cigarette purchases.

The Federal Cigarette Labeling and Advertising Act does not allow local and state governments to adopt any “requirement or prohibition based on smoking and health...with respect to the advertising or promotion of any cigarettes.”

A ban on redeeming coupons does not reduce underage tobacco use because state and federal laws already prohibit the sale of tobacco products to underage individuals at any price.

- A coupon ban only impacts retailers and adults of legal age who purchase and use tobacco products.

Banning coupons results in lost sales by local retailers and lost revenues to local governments since consumers would simply visit retailers outside the jurisdiction to redeem coupons.

Conclusion

The law protects the right for retailers to provide and accept coupons. In regard to consumers, a ban enables them to use coupons on tobacco products outside the jurisdiction. In addition, banning coupons only results in lost sales by local retailers, as well as lost revenues to local governments.

Information Source: The National Association of Tobacco Outlets, Inc.