

**Section 472.—Last-in, First-out Inventories**

26 CFR 1.472-1: Last-in, first-out inventories.

**LIFO; price indexes; department stores.** The February 1997 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and the last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, February 28, 1997.

**Rev. Rul. 97-18**

The following Department Store Inventory Price Indexes for February 1997 were issued by the Bureau of Labor Statistics on March 19, 1997. The indexes are accepted by the Internal Revenue Service, under § 1.472-1(k) of the Income Tax Regulations and Rev. Proc. 86-46, 1986-2 C.B. 739, for appropriate application to inventories of department stores employing the retail inventory and last-in, first-out inventory methods

for tax years ended on, or with reference to, February 28, 1997.

The Department Store Inventory Price Indexes are prepared on a national basis and include (a) 23 major groups of departments, (b) three special combinations of the major groups - soft goods, durable goods, and miscellaneous goods, and (c) a store total, which covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

**BUREAU OF LABOR STATISTICS, DEPARTMENT STORE INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS**  
(January 1941 = 100, unless otherwise noted)

Groups	Feb. 1996	Feb. 1997	Percent Change from Feb. 1996 to Feb. 1997 <sup>1</sup>
1. Piece Goods	505.1	526.4	4.2
2. Domestic and Draperies	651.2	650.4	-0.1
3. Women's and Children's Shoes	644.5	640.2	-0.7
4. Men's Shoes	895.1	897.7	0.3
5. Infants' Wear	645.3	617.7	-4.3
6. Women's Underwear	522.3	534.2	2.3
7. Women's Hosiery	289.3	296.5	2.5
8. Women's and Girls' Accessories	552.3	546.9	-1.0
9. Women's Outerwear and Girls' Wear	402.0	417.6	3.9
10. Men's Clothing	619.5	615.4	-0.7
11. Men's Furnishings	570.8	585.1	2.5
12. Boys' Clothing and Furnishings	476.6	469.9	-1.4
13. Jewelry	1003.4	1004.9	0.1
14. Notions	813.7	772.0	-5.1
15. Toilet Articles and Drugs	871.0	912.3	4.7
16. Furniture and Bedding	666.9	662.0	-0.7
17. Floor Coverings	563.4	581.2	3.2
18. Housewares	799.7	817.0	2.2
19. Major Appliances	249.2	246.1	-1.2
20. Radio and Television	79.0	78.6	-0.5
21. Recreation and Education <sup>2</sup>	113.6	111.1	-2.2
22. Home Improvements <sup>2</sup>	123.1	133.3	8.3
23. Auto Accessories <sup>2</sup>	107.3	107.9	0.6
Groups 1-15: Soft Goods	590.0	598.9	1.5
Groups 16-20: Durable Goods	467.3	470.0	0.6
Groups 21-23: Misc. Goods <sup>2</sup>	113.8	113.3	-0.4
Store Total <sup>3</sup>	548.3	554.2	1.1

<sup>1</sup>Absence of a minus sign before percentage change in this column signifies price increase.

<sup>2</sup>Indexes on a January 1986=100 base.

<sup>3</sup>The store total index covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

## DRAFTING INFORMATION

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