

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

Rev. Rul. 97-52

years ended on, or with reference to, October 31, 1997.

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

LIFO; price indexes; department stores. The October 1997 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or within reference to, October 31, 1997.

The following Department Store Inventory Price Indexes for October 1997 were issued by the Bureau of Labor Statistics on November 18, 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

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	Oct. 1996	Oct. 1997	Percent Change from Oct. 1996 to Oct. 1997 ¹
1. Piece Goods	561.0	534.5	-4.7
2. Domestics and Draperies	641.0	638.4	-0.4
3. Women's and Children's Shoes	661.8	672.2	1.6
4. Men's Shoes	920.1	910.2	-1.1
5. Infants' Wear	626.4	615.5	-1.7
6. Women's Underwear	536.8	560.1	4.3
7. Women's Hosiery	285.7	301.6	5.6
8. Women's and Girls' Accessories	557.5	541.7	-2.8
9. Women's Outerwear and Girls' Wear	417.5	431.3	3.3
10. Men's Clothing	621.9	625.3	0.5
11. Men's Furnishings	581.7	601.0	3.3
12. Boys' Clothing and Furnishings	490.7	505.9	3.1
13. Jewelry	1043.6	995.5	-4.6
14. Notions	797.3	844.4	5.9
15. Toilet Articles and Drugs	901.4	916.4	1.7
16. Furniture and Bedding	667.5	666.2	-0.2
17. Floor Coverings	585.2	578.2	-1.2
18. Housewares	808.1	812.1	0.5
19. Major Appliances	246.2	243.3	-1.2
20. Radio and Television	77.8	74.5	-4.2
21. Recreation and Education ²	111.8	108.6	-2.9
22. Home Improvements ²	125.6	132.7	5.7
23. Auto Accessories ²	107.4	107.9	0.5
Groups 1 - 15: Soft Goods	603.4	610.1	1.1
Groups 16 - 20: Durable Goods	467.7	463.9	-0.8
Groups 21 - 23: Misc. Goods ²	112.9	111.6	-1.2
Store Total ³	556.1	558.5	0.4

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

²Indexes on a January 1986=100 base.

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

DRAFTING INFORMATION

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).