

The following Department Store Inventory Price Indexes for December 1997 were issued by the Bureau of Labor Statistics on January 13, 1998. 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, December 31, 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	Dec. 1996	Dec. 1997	Percent Change from Dec. 1996 to Dec. 1997 ¹
1. Piece Goods	538.7	522.7	-3.0
2. Domestics and Draperies	636.6	620.8	-2.5
3. Women's and Children's Shoes	646.0	661.6	2.4
4. Men's Shoes	894.2	894.5	0.0
5. Infants' Wear	616.8	620.2	0.6
6. Women's Underwear	527.1	548.7	4.1
7. Women's Hosiery	287.2	297.0	3.4
8. Women's and Girls' Accessories	556.4	541.1	-2.7
9. Women's Outerwear and Girls' Wear	404.4	406.4	0.5
10. Men's Clothing	610.8	606.0	-0.8
11. Men's Furnishings	578.6	598.6	3.5
12. Boys' Clothing and Furnishings	483.5	505.4	4.5
13. Jewelry	965.3	948.3	-1.8
14. Notions	779.4	797.8	2.4
15. Toilet Articles and Drugs	904.3	922.4	2.0
16. Furniture and Bedding	664.6	662.6	-0.3
17. Floor Coverings	574.8	581.1	1.1

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

Groups	Dec. 1996	Dec. 1997	Percent Change from Dec. 1996 to Dec. 1997 ¹
18. Housewares	806.1	806.6	0.1
19. Major Appliances	245.3	241.7	-1.5
20. Radio and Television	78.1	73.9	-5.4
21. Recreation and Education ²	110.8	108.6	-2.0
22. Home Improvements ²	132.2	133.4	0.9
23. Auto Accessories ²	107.3	108.0	0.7
Groups 1 – 15: Soft Goods	589.8	594.5	0.8
Groups 16 – 20: Durable Goods	466.6	460.9	-1.2
Groups 21 – 23: Misc. Goods ²	112.9	111.7	-1.1
Store Total ³	547.4	548.2	0.1

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).
