

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, January 31, 1998.

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, food, liquor, tobacco, and contract departments.

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

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

LIFO; price indexes; department stores. The January 1998 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 with reference to, January 31, 1998.

Rev. Rul. 98-16

The following Department Store Inventory Price Indexes for January 1998 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal

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

Groups	Jan. 1997	Jan. 1998	Percent Change from Jan. 1997 to Jan. 1998 ¹
1. Piece Goods	536.5	536.7	0.0
2. Domestic and Draperies	648.0	627.9	-3.1
3. Women's and Children's Shoes	636.8	656.3	3.1
4. Men's Shoes	895.6	890.5	-0.6
5. Infants' Wear	622.7	619.0	-0.6
6. Women's Underwear	522.0	558.3	7.0
7. Women's Hosiery	291.3	304.6	4.6
8. Women's and Girls' Accessories	539.6	544.1	0.8
9. Women's Outerwear and Girls' Wear	404.3	395.6	-2.2
10. Men's Clothing	614.3	614.6	0.0
11. Men's Furnishings	580.0	584.2	0.7
12. Boys' Clothing and Furnishings	478.5	504.4	5.4
13. Jewelry	993.2	981.2	-1.2
14. Notions	773.4	803.3	3.9
15. Toilet Articles and Drugs	906.5	929.7	2.6
16. Furniture and Bedding	658.4	662.8	0.7
17. Floor Coverings	579.1	583.9	0.8
18. Housewares	818.0	811.8	-0.8
19. Major Appliances	246.8	241.8	-2.0

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

Groups	Jan. 1997	Jan. 1998	Percent Change from Jan. 1997 to Jan. 1998 ¹
20. Radio and Television	78.4	73.5	-6.3
21. Recreation and Education ²	111.7	108.3	-3.0
22. Home Improvements ²	132.9	134.0	0.8
23. Auto Accessories ²	107.6	107.8	0.2
Groups 1 – 15: Soft Goods	592.0	593.1	0.2
Groups 16 – 20: Durable Goods	469.9	461.9	-1.7
Groups 21 – 23: Misc. Goods ²	113.6	111.5	-1.8
Store Total ³	550.0	547.5	-0.5

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, food, liquor, tobacco, and contract departments.