

Rev. Rul. 98-20

The following Department Store Inventory Price Indexes for February 1998 were issued by the Bureau of Labor Sta-

tistics. 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, 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.

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

Groups	Feb. 1997	Feb. 1998	Percent Change from Feb. 1997 to Feb. 1998 ¹
1. Piece Goods	526.4	535.8	1.8
2. Domestic and Draperies	650.4	639.3	-1.7
3. Women's and Children's Shoes	640.2	656.9	2.6
4. Men's Shoes	897.7	886.5	-1.2
5. Infants' Wear	617.7	612.6	-0.8
6. Women's Underwear	534.2	565.2	5.8
7. Women's Hosiery	296.5	308.1	3.9
8. Women's and Girls' Accessories	546.9	548.2	0.2
9. Women's Outerwear and Girls' Wear	417.6	408.9	-2.1
10. Men's Clothing	615.4	624.0	1.4
11. Men's Furnishings	585.1	590.4	0.9
12. Boys' Clothing and Furnishings	469.9	499.3	6.3
13. Jewelry	1004.9	1001.0	-0.4
14. Notions	772.0	802.0	3.9
15. Toilet Articles and Drugs	912.3	926.5	1.6
16. Furniture and Bedding	662.0	668.3	1.0
17. Floor Coverings	581.2	583.7	0.4
18. Housewares	817.0	810.3	-0.8
19. Major Appliances	246.1	242.0	-1.7
20. Radio and Television	78.6	73.6	-6.4
21. Recreation and Education ²	111.1	107.7	-3.1
22. Home Improvements ²	133.3	134.0	0.5
23. Auto Accessories ²	107.9	107.7	-0.2
Groups 1 - 15: Soft Goods	598.9	601.1	0.4
Groups 16 - 20: Durable Goods	470.0	462.4	-1.6
Groups 21 - 23: Misc. Goods ²	113.3	111.0	-2.0
Store Total ³	554.2	552.3	-0.3

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.

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).