

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

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

**LIFO; price indexes; department stores.** The June 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, June 30, 1998.

Rev. Rul. 98-42

The following Department Store Inventory Price Indexes for June 1998 were issued by the Bureau of Labor Statistics. 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, June 30, 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	June 1997	June 1998	Percent Change from June 1997 to June 1998 <sup>1</sup>
1. Piece Goods . . . . .	541.0	513.9	-5.0
2. Domestic and Draperies . . . . .	644.1	618.6	-4.0
3. Women's and Children's Shoes . . . . .	651.0	659.3	1.3
4. Men's Shoes . . . . .	904.0	906.7	0.3
5. Infants' Wear . . . . .	642.5	623.1	-3.0
6. Women's Underwear . . . . .	539.3	567.7	5.3
7. Women's Hosiery . . . . .	295.7	308.3	4.3
8. Women's and Girls' Accessories . . . . .	569.4	536.2	-5.8
9. Women's Outerwear and Girls' Wear . . . . .	415.3	410.0	-1.3
10. Men's Clothing . . . . .	625.0	616.6	-1.3
11. Men's Furnishings . . . . .	589.8	599.1	1.6
12. Boys' Clothing and Furnishings . . . . .	494.5	494.6	0.0
13. Jewelry . . . . .	1002.1	970.3	-3.2
14. Notions . . . . .	752.1	776.0	3.2
15. Toilet Articles and Drugs . . . . .	913.5	948.5	3.8
16. Furniture and Bedding . . . . .	673.2	689.3	2.4
17. Floor Coverings . . . . .	592.4	604.0	2.0
18. Housewares . . . . .	808.1	818.6	1.3
19. Major Appliances . . . . .	243.5	236.7	-2.8
20. Radio and Television . . . . .	76.2	71.9	-5.6
21. Recreation and Education <sup>2</sup> . . . . .	109.5	104.8	-4.3
22. Home Improvements <sup>2</sup> . . . . .	132.8	133.1	0.2
23. Auto Accessories <sup>2</sup> . . . . .	108.0	107.2	-0.7
Groups 1 - 15: Soft Goods . . . . .	602.5	600.1	-0.4
Groups 16 - 20: Durable Goods . . . . .	465.9	463.6	-0.5
Groups 21 - 23: Misc. Goods <sup>2</sup> . . . . .	112.2	108.9	-2.9
Store Total <sup>3</sup> . . . . .	554.8	550.7	-0.7

<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, food, liquor, tobacco, and contract departments.

## DRAFTING INFORMATION

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