

Section 167.—Depreciation

26 CFR 1.167(e)-1: Change in method.

Is a change in the method of computing depreciation for property subject to section 168 of the Code (MACRS property) that is acquired in a section 1031 like-kind exchange or section 1033 involuntary conversion a change in method of accounting? See Notice 2000-4, page 313.

Section 442.—Change of Annual Accounting Period

26 CFR 1.442-1: Change of annual accounting period.

What procedures apply for certain corporations to obtain automatic approval to change their annual accounting periods under section 442 of the Code? See Rev. Proc. 2000-11, page 309.

Section 446.—General Rule for Methods of Accounting

26 CFR 1.446-1: General rule for methods of accounting.

Is a change in the method of computing depreciation for property subject to section 168 of the Code (MACRS property) that is acquired in a section 1031 like-kind exchange or section 1033 involuntary conversion a change in method of accounting? See Notice 2000-4, page 313.

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

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

LIFO; price indexes; department stores. The November 1999 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, November 30, 1999.

The following Department Store Inventory Price Indexes for November 1999 were issued by the Bureau of Labor Statistics. The indexes are accepted by the Internal Revenue Service, under section 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, November 30, 1999.

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.

Rev. Rul. 2000-3

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

Groups	Nov. 1998	Nov. 1999	Percent Change from Nov. 1998 to Nov. 1999 ¹
1. Piece Goods	544.5	514.3	-5.5
2. Domestic and Draperies	635.9	622.0	-2.2
3. Women's and Children's Shoes	685.8	651.4	-5.0
4. Men's Shoes	916.9	875.1	-4.6
5. Infants' Wear	638.3	647.6	1.5
6. Women's Underwear	570.4	571.9	0.3
7. Women's Hosiery	308.4	328.9	6.6
8. Women's and Girls' Accessories	546.5	539.6	-1.3
9. Women's Outerwear and Girls' Wear	417.0	410.3	-1.6
10. Men's Clothing	619.5	617.4	-0.3
11. Men's Furnishings	608.4	627.6	3.2
12. Boys' Clothing and Furnishings	519.0	510.2	-1.7
13. Jewelry	977.1	950.5	-2.7
14. Notions	766.3	764.6	-0.2
15. Toilet Articles and Drugs	945.3	983.6	4.1
16. Furniture and Bedding	686.8	689.7	0.4
17. Floor Coverings	602.2	602.1	0.0
18. Housewares	811.3	789.3	-2.7
19. Major Appliances	238.9	235.5	-1.4
20. Radio and Television	70.1	63.5	-9.4
21. Recreation and Education ²	102.2	96.1	-6.0
22. Home Improvements ²	129.6	129.2	-0.3
23. Auto Accessories ²	107.9	107.6	-0.3

Groups 1 - 15: Soft Goods - - - - -	610.0	606.9	-0.5
Groups 16 - 20: Durable Goods - - - - -	460.4	446.9	-2.9
Groups 21 - 23: Misc. Goods ² - - - - -	106.9	102.7	-3.9
Store Total ³ - - - - -	554.9	547.2	-1.4

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

² Indexes on a January 1986=100 base.

³ 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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