

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

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

LIFO; price indexes; department stores. The May 2001 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, May 31, 2001.

Rev. Rul. 2001-35

The following Department Store Inventory Price Indexes for May 2001 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, May 31, 2001.

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	May 2000	May 2001	Percent Change from May 2000 to May 2001 ¹
1. Piece Goods	501.7	491.2	-2.1
2. Domestics and Draperies	620.4	598.8	-3.5
3. Women's and Children's Shoes	642.2	653.9	1.8
4. Men's Shoes	923.1	889.7	-3.6
5. Infants' Wear	641.0	625.4	-2.4
6. Women's Underwear	573.4	570.4	-0.5
7. Women's Hosiery	335.1	352.0	5.0
8. Women's and Girls' Accessories	543.4	553.1	1.8
9. Women's Outerwear and Girls' Wear	401.5	394.6	-1.7
10. Men's Clothing	623.7	595.5	-4.5
11. Men's Furnishings	636.3	619.2	-2.7
12. Boys' Clothing and Furnishings	502.5	497.1	-1.1
13. Jewelry	943.4	934.7	-0.9
14. Notions	775.9	776.3	0.1
15. Toilet Articles and Drugs	971.1	947.8	-2.4
16. Furniture and Bedding	672.5	641.8	-4.6
17. Floor Coverings	608.6	623.7	2.5
18. Housewares	779.4	767.1	-1.6
19. Major Appliances	233.7	224.3	-4.0

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

Groups	May 2000	May 2001	Percent Change from May 2000 to May 2001 ¹
20. Radio and Television	60.1	54.7	-9.0
21. Recreation and Education ²	93.9	90.2	-3.9
22. Home Improvements ²	128.5	125.7	-2.2
23. Auto Accessories ²	106.5	108.9	2.3
Groups 1 - 15: Soft Goods	604.5	594.0	-1.7
Groups 16 - 20: Durable Goods	438.3	423.0	-3.5
Groups 21 - 23: Misc. Goods ²	100.9	98.6	-2.3
Store Total ³	542.5	530.8	-2.2

¹ Absence of a minus sign before the percentage change in this column signifies a 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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