

Dollar-Value LIFO Regulations; Inventory Price Index Computation Method; Correction

Announcement 2002-22

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Corrections to final regulations.

SUMMARY: This document contains corrections to final regulations (T.D. 8976, 2002-5 I.R.B. 421) that were published in the **Federal Register** on Wednesday, January 9, 2002 (67 FR 1075) providing guidance on methods of valuing dollar-value LIFO pools under section 472.

DATES: This correction is effective January 9, 2002.

FOR FURTHER INFORMATION CONTACT: Leo F. Nolan II (202) 622-4970 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of these corrections are under section 472 of the Internal Revenue Code.

Need for Correction

As published, final regulations (T.D. 8976) contain errors which may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the publication of final regulations (T.D. 8976), which are the subject of FR Doc. 02-184, is corrected as follows:

1. On page 1075, columns 2 and 3, in the preamble under the paragraph heading “*Paperwork Reduction Act*”, the existing language is removed and the following language is added in its place.

The collections of information in this final rule have been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget (OMB) under 44 U.S.C. 3507 and assigned control number 1545–1767.

The collections of information in this regulation are in § 1.472–8(e)(3)(iii)(B)(3) and (e)(3)(iv). To elect the IPIC method, a taxpayer must file Form 970, “*Application to Use LIFO Inventory Method.*” This information is required to inform the Commissioner regarding the taxpayer’s elections under the IPIC method. This information will be used to determine whether the taxpayer is properly accounting for its dollar-value pools under the IPIC method. The collections of information are required if the taxpayer wants to obtain the tax benefits of the LIFO method. The likely respondents are business or other for-profit institutions, and/or small businesses or organizations.

Comments on the collections of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, W:CAR:MP:FP:S, Washington, DC 20224. Comments on the collections of information should be received by March 20, 2002. Comments are specifically requested concerning:

Whether the collections of information are necessary for the proper performance of the functions of the Internal Revenue Service, including whether the information will have practical utility;

The accuracy of the estimated burden associated with the collections of information (see below);

How the quality, utility, and clarity of the information to be collected may be enhanced;

How the burden of complying with the collections of information may be minimized, including through the application

of automated collection techniques or other forms of information technology; and,

Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of service to provide information.

The reporting burden contained in § 1.472–8(e)(3)(iii)(B)(3) and (e)(3)(iv) is reflected in the burden of Form 970.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

§ 1.472–8 [Corrected]

2. On page 1088, column 3, § 1.472–8(e)(3)(iii)(E)(i), *Example 1.*, line 21, the language “items in R’s inventories fall within the 2-digit” is corrected to read “items in R’s inventory fall within the 2-digit.”

3. On page 1094, column 2, § 1.472–8(e)(3)(v)(B), lines 23 and 24, the language “year as required by paragraph (e)(3)(iv)(B)(1) of this section. Because a” is corrected to read “year. See paragraph (e)(3)(iv)(B)(1) of this section for an example of this computation. Because a.”

LaNita VanDyke,
Acting Chief, Regulations Unit,
Associate Chief Counsel
(Income Tax and Accounting).

(Filed by the Office of the Federal Register on February 1, 2002, 8:45 a.m., and published in the issue of the Federal Register for February 4, 2002, 67 F.R. 5061)