

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

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

**LIFO; price indexes; department stores.** The February 2003 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, February 28, 2003.

### Rev. Rul. 2003-42

The following Department Store Inventory Price Indexes for February 2003 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, February 28, 2003.

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. 2002	Feb. 2003	Percent Change from Feb. 2002 to Feb. 2003 <sup>1</sup>
1. Piece Goods .....	485.6	461.9	-4.9
2. Domestics and Draperies .....	580.1	562.9	-3.0
3. Women's and Children's Shoes .....	621.0	647.0	4.2
4. Men's Shoes .....	877.6	861.9	-1.8
5. Infants' Wear .....	609.4	596.6	-2.1
6. Women's Underwear .....	571.0	525.6	-8.0
7. Women's Hosiery .....	351.1	340.6	-3.0
8. Women's and Girls' Accessories .....	563.0	551.3	-2.1
9. Women's Outerwear and Girls' Wear .....	375.0	358.2	-4.5
10. Men's Clothing .....	579.7	550.5	-5.0
11. Men's Furnishings .....	586.7	569.2	-3.0
12. Boys' Clothing and Furnishings .....	473.6	454.8	-4.0
13. Jewelry .....	889.5	870.4	-2.1
14. Notions .....	775.7	784.1	1.1
15. Toilet Articles and Drugs .....	975.9	969.5	-0.7
16. Furniture and Bedding .....	626.0	626.9	0.1

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

Groups	Feb. 2002	Feb. 2003	Percent Change from Feb. 2002 to Feb. 2003 <sup>1</sup>
17. Floor Coverings .....	618.8	592.4	-4.3
18. Housewares .....	757.3	736.7	-2.7
19. Major Appliances .....	224.5	219.7	-2.1
20. Radio and Television .....	51.7	46.9	-9.3
21. Recreation and Education <sup>2</sup> .....	87.9	84.0	-4.4
22. Home Improvements <sup>2</sup> .....	125.6	125.6	0.0
23. Auto Accessories <sup>2</sup> .....	110.3	112.3	1.8
Groups 1–15: Soft Goods .....	575.3	559.3	-2.8
Groups 16–20: Durable Goods .....	415.5	402.9	-3.0
Groups 21–23: Misc. Goods <sup>2</sup> .....	97.4	95.2	-2.3
Store Total <sup>3</sup> .....	516.6	502.3	-2.8

<sup>1</sup>Absence of a minus sign before the percentage change in this column signifies a 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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