

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

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

LIFO; price indexes; department stores. The April 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, April 30, 2003.

Rev. Rul. 2003-68

The following Department Store Inventory Price Indexes for April 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, April 30, 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	Apr. 2002	Apr. 2003	Percent Change from Apr. 2002 to Apr. 2003 ¹
1. Piece Goods	488.7	457.9	-6.3
2. Domestics and Draperies	597.7	568.1	-5.0
3. Women's and Children's Shoes	652.6	646.4	-1.0
4. Men's Shoes	902.7	844.7	-6.4
5. Infants' Wear	622.2	597.8	-3.9
6. Women's Underwear	554.0	517.2	-6.6
7. Women's Hosiery	356.0	347.1	-2.5
8. Women's and Girls' Accessories	565.6	552.1	-2.4
9. Women's Outerwear and Girls' Wear	395.0	385.7	-2.4
10. Men's Clothing	600.2	569.0	-5.2
11. Men's Furnishings	604.4	589.8	-2.4
12. Boys' Clothing and Furnishings	504.2	465.5	-7.7
13. Jewelry	905.6	876.5	-3.2
14. Notions	794.8	794.1	-0.1
15. Toilet Articles and Drugs	974.7	982.5	0.8
16. Furniture and Bedding	627.7	627.7	0.0
17. Floor Coverings	618.7	584.4	-5.5
18. Housewares	756.6	730.3	-3.5
19. Major Appliances	222.6	215.3	-3.3
20. Radio and Television	50.8	46.4	-8.7
21. Recreation and Education ²	87.2	83.7	-4.0
22. Home Improvements ²	125.8	125.1	-0.6
23. Auto Accessories ²	110.8	111.5	0.6
Groups 1-15: Soft Goods	591.9	573.8	-3.1
Groups 16-20: Durable Goods	413.9	399.0	-3.6
Groups 21-23: Misc. Goods ²	97.1	94.8	-2.4
Store Total ³	526.3	510.0	-3.1

(Footnotes are on the following page.)

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

²Indexes on a January 1986 = 100 base.

³The store total index covers all departments, including some not listed separately, except for the following: candy, food, liquor, tobacco and contract departments.

DRAFTING INFORMATION

The principal author of this revenue ruling is Michael Burkom of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Burkom at (202) 622-7718 (not a toll-free call).