

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

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

LIFO; price indexes; department stores. The February 2004 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 29, 2004.

Rev. Rul. 2004-42

The following Department Store Inventory Price Indexes for February 2004 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 29, 2004.

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. 2003	Feb. 2004	Percent Change from Feb. 2003 to Feb. 2004 ¹
1. Piece Goods	461.9	469.3	1.6
2. Domestic and Draperies	562.9	536.5	-4.7
3. Women's and Children's Shoes	647.0	609.9	-5.7
4. Men's Shoes	861.9	850.4	-1.3
5. Infants' Wear	596.6	583.8	-2.1
6. Women's Underwear	525.6	506.7	-3.6
7. Women's Hosiery	340.6	354.3	4.0
8. Women's and Girls' Accessories	551.3	556.6	1.0
9. Women's Outerwear and Girls' Wear	358.2	341.9	-4.6
10. Men's Clothing	550.5	534.0	-3.0
11. Men's Furnishings	569.2	572.3	0.5
12. Boys' Clothing and Furnishings	454.8	436.6	-4.0
13. Jewelry	870.4	895.7	2.9
14. Notions	784.1	793.9	1.2
15. Toilet Articles and Drugs	969.5	984.6	1.6
16. Furniture and Bedding	626.9	624.2	-0.4
17. Floor Coverings	592.4	592.6	0.0
18. Housewares	736.7	715.2	-2.9
19. Major Appliances	219.7	206.8	-5.9
20. Radio and Television	46.9	43.3	-7.7
21. Recreation and Education ²	84.0	81.6	-2.9
22. Home Improvements ²	125.6	128.9	2.6
23. Automotive Accessories ²	112.3	112.1	-0.2
Groups 1-15: Soft Goods	559.3	549.5	-1.8
Groups 16-20: Durable Goods	402.9	388.6	-3.5
Groups 21-23: Misc. Goods ²	95.2	93.9	-1.4
Store Total ³	502.3	491.9	-2.1

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

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