

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

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

LIFO; price indexes; department stores. The November 1997 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, November 30, 1997.

Rev. Rul. 98-6

The following Department Store Inventory Price Indexes for November 1997 were issued by the Bureau of Labor Statistics on December 16, 1997. 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, November 30, 1997.

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, foods, liquor, tobacco, and contract departments.

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

Groups	Nov. 1996	Nov. 1997	Percent Change from Nov. 1996 to Nov. 1997 ¹
1. Piece Goods	55.9	524.6	-5.6
2. Domestic and Draperie	634.7	628.2	-1.0
3. Women's and Children's Shoes	656.1	661.7	0.9
4. Men's Shoes	903.7	906.9	0.4
5. Infants' Wear	614.8	618.2	0.6
6. Women's Underwear	535.4	552.9	3.3
7. Women's Hosiery	287.4	298.8	4.0
8. Women's and Girls' Accessories	562.5	543.7	-3.3
9. Women's Outerwear and Girls' Wear	415.9	428.4	3.0
10. Men's Clothing	633.0	621.2	-1.9
11. Men's Furnishings	591.5	604.0	2.1
12. Boys' Clothing and Furnishings	495.1	513.1	3.6
13. Jewelry	1020.6	978.9	-4.1
14. Notions	740.7	807.7	9.0
15. Toilet Articles and Drugs	903.4	917.8	1.6
16. Furniture and Bedding	667.8	665.8	-0.3
17. Floor Coverings	585.6	580.1	-0.9
18. Housewares	804.5	811.7	0.9
19. Major Appliances	244.2	241.0	-1.3
20. Radio and Television-	78.1	74.2	-5.0
21. Recreation and Education ²	111.3	108.3	-2.7
22. Home Improvements ²	130.6	133.2	2.0
23. Auto Accessories ²	107.1	107.9	0.7
Groups 1 - 15: Soft Goods	602.1	606.5	0.7

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

Groups	Nov. 1996	Nov. 1997	Percent Change from Nov. 1996 to Nov. 1997 ¹
Groups 16 – 20: Durable Goods	466.5	462.6	-0.8
Groups 21 – 23: Misc. Goods ²	113.0	111.4	-1.4
Store Total ³	555.1	555.9	0.1

¹Absence of a minus sign before percentage change in this column signifies 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, foods, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).