

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

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

**LIFO; price indexes; department stores.** The August 1999 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, August 31, 1999.

**Rev. Rul. 99-42**

The following Department Store Inventory Price Indexes for August 1999 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, August 31, 1999.

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  | Aug. 1998 | Aug. 1999 | Percent Change from Aug. 1998 to Aug. 1999 <sup>1</sup> |
|---|-----------|-----------|---|
| 1. Piece Goods . . . . .                            | 555.1     | 546.1     | -1.6  |
| 2. Domestics and Draperies . . . . .                | 630.9     | 630.1     | -0.1  |
| 3. Women's and Children's Shoes . . . . .           | 656.2     | 635.3     | -3.2  |
| 4. Men's Shoes . . . . .                            | 910.5     | 882.3     | -3.1  |
| 5. Infants' Wear . . . . .                          | 616.2     | 623.9     | 1.2   |
| 6. Women's Underwear . . . . .                      | 579.1     | 550.7     | -4.9  |
| 7. Women's Hosiery . . . . .                        | 306.5     | 322.1     | 5.1   |
| 8. Women's and Girls' Accessories . . . . .         | 548.8     | 528.1     | -3.8  |
| 9. Women's Outerwear and Girls' Wear . . . . .      | 399.0     | 377.6     | -5.4  |
| 10. Men's Clothing . . . . .                        | 621.0     | 609.9     | -1.8  |
| 11. Men's Furnishings . . . . .                     | 594.0     | 610.6     | 2.8   |
| 12. Boys' Clothing and Furnishings . . . . .        | 498.8     | 473.3     | -5.1  |
| 13. Jewelry . . . . .                               | 981.9     | 962.0     | -2.0  |
| 14. Notions . . . . .                               | 767.8     | 793.9     | 3.4   |
| 15. Toilet Articles and Drugs . . . . .             | 940.7     | 971.6     | 3.3   |
| 16. Furniture and Bedding . . . . .                 | 679.6     | 679.3     | 0.0   |
| 17. Floor Coverings . . . . .                       | 601.8     | 602.1     | 0.0   |
| 18. Housewares- . . . . .                           | 809.9     | 788.2     | -2.7  |
| 19. Major Appliances . . . . .                      | 238.0     | 234.8     | -1.3  |
| 20. Radio and Television . . . . .                  | 71.4      | 65.7      | -8.0  |
| 21. Recreation and Education <sup>2</sup> . . . . . | 103.5     | 97.0      | -6.3  |
| 22. Home Improvements <sup>2</sup> . . . . .        | 131.1     | 127.6     | -2.7  |
| 23. Auto Accessories <sup>2</sup> . . . . .         | 107.3     | 106.8     | -0.5  |
| Groups 1 – 15: Soft Goods . . . . .                 | 598.7     | 589.9     | -1.5  |
| Groups 16 – 20: Durable Goods . . . . .             | 460.2     | 447.4     | -2.8  |
| Groups 21 – 23: Misc. Goods <sup>2</sup> . . . . .  | 107.8     | 102.9     | -4.5  |
| Store Total <sup>3</sup> . . . . .                  | 548.4     | 536.9     | -2.1  |

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