

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

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

LIFO; price indexes; department stores. The July 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, July 31, 2003.

Rev. Rul. 2003-103

The following Department Store Inventory Price Indexes for July 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, July 31, 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	July 2002	July 2003	Percent Change from July 2002 to July 2003 ¹
1. Piece Goods	486.4	487.0	0.1
2. Domestics and Draperies	577.3	570.0	-1.3
3. Women's and Children's Shoes	607.4	613.9	1.1
4. Men's Shoes	906.0	831.2	-8.3
5. Infants' Wear	590.9	573.3	-3.0
6. Women's Underwear	526.3	509.0	-3.3
7. Women's Hosiery	345.2	346.9	0.5
8. Women's and Girls' Accessories	517.0	537.8	4.0
9. Women's Outerwear and Girls' Wear	342.0	342.8	0.2

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

Groups	July 2002	July 2003	Percent Change from July 2002 to July 2003 ¹
10. Men's Clothing	565.1	533.3	-5.6
11. Men's Furnishings	573.1	562.7	-1.8
12. Boys' Clothing and Furnishings	455.1	424.4	-6.7
13. Jewelry	887.6	882.3	-0.6
14. Notions	795.1	792.1	-0.4
15. Toilet Articles and Drugs	970.8	992.0	2.2
16. Furniture and Bedding	627.6	619.9	-1.2
17. Floor Coverings	617.6	587.3	-4.9
18. Housewares	752.9	722.5	-4.0
19. Major Appliances	221.4	213.3	-3.7
20. Radio and Television	48.4	45.3	-6.4
21. Recreation and Education ²	86.3	82.8	-4.1
22. Home Improvements ²	125.8	123.7	-1.7
23. Auto Accessories ²	111.6	111.4	-0.2
Groups 1–15: Soft Goods	555.9	549.6	-1.1
Groups 16–20: Durable Goods	409.9	394.3	-3.8
Groups 21–23: Misc. Goods ²	96.6	94.0	-2.7
Store Total ³	502.8	493.4	-1.9

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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