

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

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

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

Rev. Rul. 2003-121

The following Department Store Inventory Price Indexes for September 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, September 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	Sept. 2002	Sept. 2003	Percent Change from Sept. 2002 to Sept. 2003 ¹
1. Piece Goods	484.6	482.6	-0.4
2. Domestics and Draperies	574.2	559.7	-2.5
3. Women's and Children's Shoes	658.0	651.9	-0.9
4. Men's Shoes	886.9	847.3	-4.5
5. Infants' Wear	618.5	611.8	-1.1
6. Women's Underwear	548.2	517.8	-5.5
7. Women's Hosiery	343.2	355.5	3.6
8. Women's and Girls' Accessories	549.2	584.6	6.4
9. Women's Outerwear and Girls' Wear	385.7	377.3	-2.2
10. Men's Clothing	561.1	542.3	-3.4
11. Men's Furnishings	593.8	579.8	-2.4
12. Boys' Clothing and Furnishings	446.2	448.2	0.4
13. Jewelry	896.7	875.9	-2.3
14. Notions	809.1	788.2	-2.6
15. Toilet Articles and Drugs	971.4	980.4	0.9
16. Furniture and Bedding	625.9	620.7	-0.8
17. Floor Coverings	601.1	588.6	-2.1
18. Housewares	748.9	717.2	-4.2
19. Major Appliances	222.2	210.3	-5.4
20. Radio and Television	47.7	44.7	-6.3
21. Recreation and Education ²	85.4	81.9	-4.1
22. Home Improvements ²	124.9	123.9	-0.8
23. Automotive Accessories ²	112.0	111.7	-0.3
Groups 1-15: Soft Goods	578.4	568.8	-1.7
Groups 16-20: Durable Goods	407.9	391.4	-4.0

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

Groups	Sept. 2002	Sept. 2003	Percent Change from Sept. 2002 to Sept. 2003 ¹
Groups 21–23: Misc. Goods ²	96.0	93.5	-2.6
Store Total ³	515.8	504.3	-2.2

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 Denise Carmichael of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Ms. Carmichael at (202) 622–6888 (not a toll-free call).