

## **Section 274.—Disallowance of Certain Entertainment, etc., Expenses**

*26 CFR 1.274-5: Substantiation requirements.*

Whether a mileage allowance for local transportation expenses computed on a basis similar to that used in computing a courier's compensation may be treated as paid under an accountable plan so that it will be excluded from the courier's gross income and

exempt from the withholding and payment of employment taxes. See Rev. Rul. 2004-1, page 325.

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

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

**LIFO; price indexes; department stores.** The November 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, November 30, 2003.

## **Rev. Rul. 2004-7**

The following Department Store Inventory Price Indexes for November 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, November 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	Nov. 2002	Nov. 2003	Percent Change from Nov. 2002 to Nov. 2003 <sup>1</sup>
1. Piece Goods .....	473.3	480.5	1.5
2. Domestics and Draperies .....	571.3	548.6	-4.0
3. Women's and Children's Shoes .....	652.4	649.8	-0.4
4. Men's Shoes .....	899.2	845.3	-6.0
5. Infants' Wear .....	622.7	598.3	-3.9
6. Women's Underwear .....	551.8	514.2	-6.8
7. Women's Hosiery .....	345.3	343.3	-0.6
8. Women's and Girls' Accessories .....	559.1	555.8	-0.6
9. Women's Outerwear and Girls' Wear .....	373.5	375.7	0.6
10. Men's Clothing .....	572.1	549.5	-4.0
11. Men's Furnishings .....	603.6	598.3	-0.9
12. Boys' Clothing and Furnishings .....	461.3	451.0	-2.2
13. Jewelry .....	871.7	866.8	-0.6
14. Notions .....	793.1	797.2	0.5
15. Toilet Articles and Drugs .....	972.5	976.2	0.4
16. Furniture and Bedding .....	622.2	612.9	-1.5
17. Floor Coverings .....	600.6	594.5	-1.0
18. Housewares .....	738.6	712.6	-3.5
19. Major Appliances .....	221.6	210.0	-5.2
20. Radio and Television .....	47.5	44.3	-6.7
21. Recreation and Education <sup>2</sup> .....	84.6	82.2	-2.8
22. Home Improvements <sup>2</sup> .....	125.2	124.9	-0.2
23. Automotive Accessories <sup>2</sup> .....	111.7	112.0	0.3
Groups 1-15: Soft Goods .....	575.9	567.7	-1.4
Groups 16-20: Durable Goods .....	404.5	388.9	-3.9
Groups 21-23: Misc. Goods <sup>2</sup> .....	95.4	93.9	-1.6
Store Total <sup>3</sup> .....	513.0	503.1	-1.9

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

The principal author of this revenue ruling is Michael Burkom of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Burkom at (202) 622-7924 (not a toll-free call).