

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

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

**LIFO; price indexes; department stores.** The October 2005 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, October 31, 2005.

# Rev. Rul. 2005-79

The following Department Store Inventory Price Indexes for October 2005 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, October 31, 2005.

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	Oct. 2004	Oct. 2005	Percent Change from Oct. 2004 to Oct. 2005 <sup>1</sup>
1. Piece Goods . . . . .	491.6	488.1	-0.7
2. Domestics and Draperies . . . . .	539.0	512.4	-4.9
3. Women's and Children's Shoes . . . . .	665.8	710.9	6.8
4. Men's Shoes . . . . .	832.1	884.9	6.3
5. Infants' Wear . . . . .	584.3	566.9	-3.0
6. Women's Underwear . . . . .	513.0	542.9	5.8
7. Women's Hosiery . . . . .	337.6	337.1	-0.1
8. Women's and Girls' Accessories . . . . .	597.3	578.4	-3.2
9. Women's Outerwear and Girls' Wear . . . . .	385.5	374.0	-3.0
10. Men's Clothing . . . . .	542.7	538.4	-0.8
11. Men's Furnishings . . . . .	578.7	571.2	-1.3
12. Boys' Clothing and Furnishings . . . . .	430.6	405.4	-5.9
13. Jewelry . . . . .	892.6	873.8	-2.1
14. Notions . . . . .	793.7	806.3	1.6
15. Toilet Articles and Drugs . . . . .	995.6	1003.6	0.8
16. Furniture and Bedding . . . . .	608.5	598.1	-1.7
17. Floor Coverings . . . . .	581.7	606.4	4.2
18. Housewares . . . . .	714.6	706.7	-1.1
19. Major Appliances . . . . .	202.8	203.7	0.4
20. Radio and Television . . . . .	41.1	38.3	-6.8
21. Recreation and Education <sup>2</sup> . . . . .	79.8	77.8	-2.5
22. Home Improvements <sup>2</sup> . . . . .	131.0	137.3	4.8
23. Automotive Accessories <sup>2</sup> . . . . .	113.1	116.3	2.8
Groups 1-15: Soft Goods . . . . .	569.9	565.3	-0.8
Groups 16-20: Durable Goods . . . . .	382.5	377.4	-1.3
Groups 21-23: Misc. Goods <sup>2</sup> . . . . .	93.1	93.2	0.1
Store Total <sup>3</sup> . . . . .	502.4	498.4	-0.8

<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

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