

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

§ 472.—Last-in, First-out Inventories Rev. Rul. 96-12

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

LIFO; price indexes; department stores. The December 1995 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, December 31, 1995.

The following Department Store Inventory Price Indexes for December 1995 were issued by the Bureau of Labor Statistics on February 1, 1996. 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, December 31, 1995.

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, foods, liquor, tobacco, and contract departments.

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

Groups	Dec. 1994	Dec. 1995	Percent Change from Dec. 1994 to Dec. 1995 ¹
1. Piece Goods.....	483.5	532.6	10.2
2. Domestics and Draperies.....	630.5	633.5	0.5
3. Women's and Children's Shoes.....	630.9	625.6	-0.8
4. Men's Shoes.....	907.3	891.0	-1.8
5. Infants' Wear.....	620.9	635.6	2.4
6. Women's Underwear.....	521.9	521.6	-0.1
7. Women's Hosiery.....	280.4	290.2	3.5
8. Women's and Girls' Accessories.....	560.6	559.9	-0.1
9. Women's Outerwear and Girls' Wear.....	413.9	407.1	-1.6
10. Men's Clothing.....	603.0	602.1	-0.1
11. Men's Furnishings.....	558.6	561.6	0.5
12. Boys' Clothing and Furnishings.....	472.4	481.8	2.0
13. Jewelry.....	979.4	978.1	-0.1
14. Notions.....	720.8	773.6	7.3
15. Toilet Articles and Drugs.....	854.2	870.8	1.9
16. Furniture and Bedding.....	637.3	669.0	5.0
17. Floor Coverings.....	564.2	564.5	0.1
18. Housewares.....	776.3	782.3	0.8
19. Major Appliances.....	249.4	246.1	-1.3
20. Radio and Television.....	83.9	79.1	-5.7
21. Recreation and Education ²	114.5	112.8	-1.5
22. Home Improvements ²	122.0	123.7	1.4
23. Auto Accessories ²	106.6	107.5	0.8
Groups 1-15: Soft Goods.....	584.4	585.1	0.1
Groups 16-20: Durable Goods.....	463.4	462.2	-0.3
Groups 21-23: Misc. Goods ²	114.1	113.3	-0.7
Store Total ³	544.0	543.7	-0.1

¹Absence of a minus sign before percentage change in this column signifies 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, foods, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

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