

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

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

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

Rev. Rul. 2003-87

The following Department Store Inventory Price Indexes for May 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, May 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	May 2002	May 2003	Percent Change from May 2002 to May 2003 ¹
1. Piece Goods	490.1	456.3	-6.9
2. Domestic and Draperies	586.9	557.6	-5.0
3. Women's and Children's Shoes	647.5	637.0	-1.6
4. Men's Shoes	924.6	855.8	-7.4
5. Infants' Wear	614.9	599.6	-2.5
6. Women's Underwear	542.9	519.8	-4.3
7. Women's Hosiery	345.4	349.5	1.2
8. Women's and Girls' Accessories	558.0	550.2	-1.4
9. Women's Outerwear and Girls' Wear	386.7	374.5	-3.2
10. Men's Clothing	597.7	562.3	-5.9
11. Men's Furnishings	602.1	587.2	-2.5
12. Boys' Clothing and Furnishings	495.5	463.5	-6.5
13. Jewelry	901.3	877.9	-2.6
14. Notions	797.6	789.7	-1.0
15. Toilet Articles and Drugs	975.0	979.7	0.5
16. Furniture and Bedding	626.4	620.2	-1.0
17. Floor Coverings	620.1	578.9	-6.6
18. Housewares	758.4	730.9	-3.6
19. Major Appliances	220.7	213.7	-3.2
20. Radio and Television	50.4	45.9	-8.9

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

Groups	May 2002	May 2003	Percent Change from May 2002 to May 2003 ¹
21. Recreation and Education ²	86.9	83.4	-4.0
22. Home Improvements ²	125.4	126.1	0.6
23. Auto Accessories ²	110.9	111.6	0.6
Groups 1–15: Soft Goods.....	586.0	568.1	-3.1
Groups 16–20: Durable Goods.....	413.1	397.1	-3.9
Groups 21–23: Misc. Goods ²	96.8	94.7	-2.2
Store Total ³	522.3	506.0	-3.1

¹ Absence of a minus sign before the percentage change in this column signifies a price increase.

² Indexes on a January 1986 = 100 base.

³ 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) 622–7718 (not a toll-free call).