

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

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

LIFO; price indexes; department stores. The August 2004 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, August 31, 2004.

Rev. Rul. 2004-101

The following Department Store Inventory Price Indexes for August 2004 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, August 31, 2004.

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	Aug. 2003	Aug. 2004	Percent Change from Aug. 2003 to Aug. 2004 ¹
1. Piece Goods	488.9	513.2	5.0
2. Domestics and Draperies	568.7	525.7	-7.6
3. Women's and Children's Shoes	631.4	623.7	-1.2
4. Men's Shoes	838.8	838.6	0.0
5. Infants' Wear	589.1	561.1	-4.8
6. Women's Underwear.....	510.7	502.4	-1.6
7. Women's Hosiery	347.8	337.5	-3.0
8. Women's and Girls' Accessories	551.0	557.2	1.1
9. Women's Outerwear and Girls' Wear	350.2	341.4	-2.5
10. Men's Clothing	528.7	524.4	-0.8
11. Men's Furnishings.....	565.6	564.3	-0.2
12. Boys' Clothing and Furnishings	423.3	414.5	-2.1
13. Jewelry.....	880.6	902.5	2.5
14. Notions	787.1	794.8	1.0
15. Toilet Articles and Drugs	979.8	992.7	1.3
16. Furniture and Bedding	619.8	607.8	-1.9
17. Floor Coverings	588.7	581.5	-1.2
18. Housewares.....	720.4	709.6	-1.5
19. Major Appliances.....	209.7	196.9	-6.1
20. Radio and Television.....	45.0	41.2	-8.4
21. Recreation and Education ²	82.3	80.1	-2.7
22. Home Improvements ²	124.2	129.2	4.0
23. Automotive Accessories ²	111.7	112.8	1.0
Groups 1-15: Soft Goods	553.5	546.4	-1.3
Groups 16-20: Durable Goods.....	392.1	379.2	-3.3
Groups 21-23: Misc. Goods ²	93.8	93.1	-0.7
Store Total ³	495.2	487.1	-1.6

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 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).