

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

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

LIFO; price indexes; department stores. The November 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, November 30, 2004.

Rev. Rul. 2005-5

The following Department Store Inventory Price Indexes for November 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, November 30, 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	Nov. 2003	Nov. 2004	Percent Change from Nov. 2003 to Nov. 2004 ¹
1. Piece Goods	480.5	507.8	5.7
2. Domestic and Draperies	548.6	535.3	-2.4
3. Women's and Children's Shoes	649.8	656.6	1.0
4. Men's Shoes	845.3	842.9	-0.3
5. Infants' Wear	598.3	584.3	-2.3
6. Women's Underwear	514.2	518.5	0.8
7. Women's Hosiery	343.3	342.0	-0.4
8. Women's and Girls' Accessories	555.8	583.1	4.9
9. Women's Outerwear and Girls' Wear	375.7	376.8	0.3
10. Men's Clothing	549.5	542.5	-1.3
11. Men's Furnishings	598.3	581.5	-2.8
12. Boys' Clothing and Furnishings	451.0	430.1	-4.6
13. Jewelry	866.8	879.0	1.4
14. Notions	797.2	789.1	-1.0
15. Toilet Articles and Drugs	976.2	998.6	2.3
16. Furniture and Bedding	612.9	601.7	-1.8
17. Floor Coverings	594.5	590.2	-0.7

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

Groups	Nov. 2003	Nov. 2004	Percent Change from Nov. 2003 to Nov. 2004 ¹
18. Housewares.....	712.6	711.8	-0.1
19. Major Appliances.....	210.0	201.6	-4.0
20. Radio and Television.....	44.3	40.7	-8.1
21. Recreation and Education ²	82.2	79.5	-3.3
22. Home Improvements ²	124.9	130.6	4.6
23. Automotive Accessories ²	112.0	113.1	1.0
Groups 1–15: Soft Goods	567.7	566.4	-0.2
Groups 16–20: Durable Goods	388.9	380.5	-2.2
Groups 21–23: Misc. Goods ²	93.9	92.9	-1.1
Store Total ³	503.1	499.6	-0.7

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

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