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

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

LIFO; price indexes; department stores. The June 1997 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, June 30, 1997.

Rev. Rul. 97-32

The following Department Store Inven-

tory Price Indexes for June 1997 were issued by the Bureau of Labor Statistics on July 16, 1997. 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, June 30, 1997.

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.

DRAFTING INFORMATION

The principal author of this revenue ruling is Stan Michaels of the Office of Assistant Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Michaels on (202) 622-4970 (not a toll-free call).

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

Groups	June 1996	June 1997	Percent Change from June 1996 to June 1997 ¹
1. Piece Goods	551.1	541.0	-1.8
2. Domestic and Draperies	641.0	644.1	0.5
3. Women's and Children's Shoes	649.3	651.0	0.3
4. Men's Shoes	895.4	904.0	1.0
5. Infants' Wear	627.1	642.5	2.5
6. Women's Underwear	535.4	539.3	0.7
7. Women's Hosiery	288.0	295.7	2.7
8. Women's and Girls' Accessories	545.5	569.4	4.4
9. Women's Outerwear and Girls' Wear	401.1	415.3	3.5
10. Men's Clothing	612.2	625.0	2.1
11. Men's Furnishings	584.5	589.8	0.9
12. Boys' Clothing and Furnishings	485.7	494.5	1.8
13. Jewelry	1011.5	1002.1	-0.9
14. Notions	774.1	752.1	-2.8
15. Toilet Articles and Drugs	877.8	913.5	4.1
16. Furniture and Bedding	673.6	673.2	-0.1
17. Floor Coverings	576.4	592.4	2.8
18. Housewares	808.7	808.1	-0.1
19. Major Appliances	245.5	243.5	-0.8
20. Radio and Television	79.3	76.2	-3.9
21. Recreation and Education ²	112.8	109.5	-2.9
22. Home Improvements ²	127.4	132.8	4.2
23. Auto Accessories ²	107.5	108.0	0.5
Groups 1 – 15: Soft Goods	592.4	602.5	1.7
Groups 16 – 20: Durable Goods	469.7	465.9	-0.8
Groups 21 – 23: Misc. Goods ²	113.7	112.2	-1.3
Store Total ³	550.3	554.8	0.8

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