

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

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

LIFO; price indexes; department stores. The November 2000 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, 2000.

Rev. Rul. 2001-5

The following Department Store Inventory Price Indexes for November 2000 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, 2000.

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. 1999	Nov. 2000	Percent Change from Nov. 1999 to Nov. 2000 ¹
1. Piece Goods	514.3	499.6	-2.9
2. Domestic and Draperies	622.0	610.2	-1.9
3. Women's and Children's Shoes	651.4	664.0	1.9
4. Men's Shoes	875.1	911.2	4.1
5. Infants' Wear	647.6	648.0	0.1
6. Women's Underwear	571.9	577.3	0.9
7. Women's Hosiery	328.9	347.0	5.5
8. Women's and Girls' Accessories	539.6	555.4	2.9
9. Women's Outerwear and Girls' Wear	410.3	402.0	-2.0
10. Men's Clothing	617.4	598.8	-3.0
11. Men's Furnishings	627.6	639.2	1.8
12. Boys' Clothing and Furnishings	510.2	501.3	-1.7
13. Jewelry	950.5	936.0	-1.5
14. Notions	764.6	798.0	4.4
15. Toilet Articles and Drugs	983.6	973.8	-1.0
16. Furniture and Bedding	689.7	696.6	1.0
17. Floor Coverings	602.1	625.6	3.9
18. Housewares	789.3	775.6	-1.7
19. Major Appliances	235.5	227.9	-3.2
20. Radio and Television	63.5	57.5	-9.4
21. Recreation and Education ²	96.1	92.3	-4.0
22. Home Improvements ²	129.2	129.2	0.0
23. Auto Accessories ²	107.6	107.6	0.0
Groups 1 - 15: Soft Goods	606.9	604.6	-0.4
Groups 16 - 20: Durable Goods	446.9	435.6	-2.5
Groups 21 - 23: Misc. Goods ²	102.7	100.1	-2.5
Store Total ³	547.2	541.4	-1.1

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 Alan J. Tomsic of the Office of Associate Chief Counsel (Income Tax and Accounting). For further information regarding this revenue ruling, contact Mr. Tomsic at (202) 622-4970 (not a toll-free call).