

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

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

LIFO; price indexes; department stores. The December 2002 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, December 31, 2002.

Rev. Rul. 2003-21

The following Department Store Inventory Price Indexes for December 2002 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, December 31, 2002.

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		Dec. 2001	Dec. 2002	Percent Change from Dec. 2001 to Dec. 2002 ¹
1.	Piece Goods	484.4	465.6	-3.9
2.	Domestics and Draperies	591.0	561.8	-4.9
3.	Women's and Children's Shoes	639.8	640.1	0.0
4.	Men's Shoes.....	889.1	888.0	-0.1
5.	Infants' Wear.....	623.4	612.4	-1.8
6.	Women's Underwear.....	569.0	536.7	-5.7
7.	Women's Hosiery.....	352.9	345.3	-2.2
8.	Women's and Girls' Accessories.....	557.4	540.3	-3.1
9.	Women's Outerwear and Girls' Wear	365.4	356.4	-2.5
10.	Men's Clothing	564.3	550.6	-2.4
11.	Men's Furnishings	595.3	584.7	-1.8
12.	Boys' Clothing and Furnishings.....	473.6	446.2	-5.8
13.	Jewelry	895.8	855.4	-4.5

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

Groups	Dec. 2001	Dec. 2002	Percent Change from Dec. 2001 to Dec. 2002 ¹
14. Notions	817.8	793.2	-3.0
15. Toilet Articles and Drugs.....	975.7	967.5	-0.8
16. Furniture and Bedding.....	625.9	623.8	-0.3
17. Floor Coverings	625.2	596.3	-4.6
18. Housewares	758.9	734.4	-3.2
19. Major Appliances	226.7	219.4	-3.2
20. Radio and Television	51.9	47.3	-8.9
21. Recreation and Education ²	87.9	84.3	-4.1
22. Home Improvements ²	124.2	125.8	1.3
23. Auto Accessories ²	110.4	111.3	0.8
Groups 1 – 15: Soft Goods.....	575.7	560.7	-2.6
Groups 16 – 20: Durable Goods	417.1	402.4	-3.5
Groups 21 – 23: Misc. Goods ²	97.3	95.2	-2.2
Store Total ³	517.2	503.0	-2.7

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

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).