

## Section 263.—Capital Expenditures

26 CFR 1.263(a)-1: *Capital expenditures; in general.*

Whether the costs incurred for the post-establishment fertilization of an established timber stand are deductible business expenses or capital expenditures. See Rev. Rul. 2004-62, page 1072.

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

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

**LIFO; price indexes; department stores.** The April 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, April 30, 2004.

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, April 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.

## Rev. Rul. 2004-61

The following Department Store Inventory Price Indexes for April 2004 were

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

Groups	April 2003	April 2004	Percent Change from April 2003 to April 2004 <sup>1</sup>
1. Piece Goods . . . . .	457.9	491.0	7.2
2. Domestics and Draperies . . . . .	568.1	539.7	-5.0
3. Women's and Children's Shoes . . . . .	646.4	654.5	1.3
4. Men's Shoes . . . . .	844.7	856.4	1.4
5. Infants' Wear . . . . .	597.8	586.1	-2.0
6. Women's Underwear . . . . .	517.2	493.2	-4.6
7. Women's Hosiery . . . . .	347.1	336.2	-3.1
8. Women's and Girls' Accessories . . . . .	552.1	564.2	2.2
9. Women's Outerwear and Girls' Wear . . . . .	385.7	389.2	0.9
10. Men's Clothing . . . . .	569.0	545.9	-4.1
11. Men's Furnishings . . . . .	589.8	592.7	0.5
12. Boys' Clothing and Furnishings . . . . .	465.5	459.4	-1.3
13. Jewelry . . . . .	876.5	893.0	1.9
14. Notions . . . . .	794.1	799.3	0.7
15. Toilet Articles and Drugs . . . . .	982.5	987.5	0.5
16. Furniture and Bedding . . . . .	627.7	618.0	-1.5
17. Floor Coverings . . . . .	584.4	598.8	2.5
18. Housewares . . . . .	730.3	715.3	-2.1
19. Major Appliances . . . . .	215.3	201.8	-6.3
20. Radio and Television . . . . .	46.4	42.7	-8.0
21. Recreation and Education <sup>2</sup> . . . . .	83.7	81.2	-3.0
22. Home Improvements <sup>2</sup> . . . . .	125.1	128.0	2.3
23. Automotive Accessories <sup>2</sup> . . . . .	111.5	112.1	0.5

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

Groups	April 2003	April 2004	Percent Change from April 2003 to April 2004 <sup>1</sup>
Groups 1–15: Soft Goods .....	573.8	572.0	-0.3
Groups 16–20: Durable Goods.....	399.0	385.6	-3.4
Groups 21–23: Misc. Goods <sup>2</sup> .....	94.8	93.6	-1.3
Store Total <sup>3</sup> .....	510.0	504.8	-1.0

<sup>1</sup>Absence of a minus sign before the percentage change in this column signifies a price increase.

<sup>2</sup>Indexes on a January 1986 = 100 base.

<sup>3</sup>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

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