

---

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

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

**LIFO price indexes; department stores.** The May 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, May 31, 1997.

**Rev. Rul. 97-28**

The following Department Store Inventory Price Indexes for May 1997 were issued by the Bureau of Labor Statistics on June 17, 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, May 31, 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.

---

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

Groups	May 1996	May 1997	Percent Change from May 1996 to May 1997 <sup>1</sup>
1. Piece Goods .....	545.1	529.2	-2.9
2. Domestics and Draperies .....	649.3	649.3	0.0
3. Women's and Children's Shoes .....	659.7	663.7	0.6
4. Men's Shoes .....	906.5	918.8	1.4
5. Infants' Wear .....	631.2	642.0	1.7
6. Women's Underwear .....	534.1	537.7	0.7
7. Women's Hosiery .....	286.8	296.7	3.5
8. Women's and Girls' Accessories .....	550.8	566.2	2.8

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

Groups	May 1996	May 1997	Percent Change from May 1996 to May 1997 <sup>1</sup>
9. Women's Outerwear and Girls' Wear .....	417.9	435.1	4.1
10. Men's Clothing .....	626.1	630.2	0.7
11. Men's Furnishings .....	593.3	601.9	1.4
12. Boys' Clothing and Furnishings.....	493.3	500.2	1.4
13. Jewelry .....	1020.1	1004.9	-1.5
14. Notions .....	773.8	755.8	-2.3
15. Toilet Articles and Drugs.....	883.8	907.2	2.6
16. Furniture and Bedding .....	668.0	673.4	0.8
17. Floor Coverings .....	576.1	592.7	2.9
18. Housewares.....	803.9	806.3	0.3
19. Major Appliances .....	245.1	242.0	-1.3
20. Radio and Television .....	79.2	76.7	-3.2
21. Recreation and Education <sup>2</sup> .....	112.8	109.8	-2.7
22. Home Improvements <sup>2</sup> .....	127.2	132.4	4.1
23. Auto Accessories <sup>2</sup> .....	107.4	107.2	-0.2
Groups 1 - 15: Soft Goods .....	603.0	612.3	1.5
Groups 16 - 20: Durable Goods .....	467.6	465.4	-0.5
Groups 21 - 23: Misc. Goods <sup>2</sup> .....	113.7	112.2	-1.3
Store Total <sup>3</sup> .....	556.3	560.7	0.8

<sup>1</sup> Absence of a minus sign before percentage change in this column signifies 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, 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).