

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

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

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

LIFO; price indexes; department stores. The January 1999 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, January 31, 1999.

Rev. Rul. 99-15

The following Department Store Inventory Price Indexes for January 1999 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, January 31, 1999.

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	Jan. 1998	Jan. 1999	Percent Change from Jan. 1998 to Jan. 1999 ¹
1. Piece Goods	536.7	507.3	-5.5
2. Domestic and Draperies	627.9	643.1	2.4
3. Women's and Children's Shoes	656.3	640.4	-2.4
4. Men's Shoes	890.5	894.0	0.4
5. Infants' Wear	619.0	628.6	1.6
6. Women's Underwear	558.3	560.7	0.4
7. Women's Hosiery	304.6	316.2	3.8
8. Women's and Girls' Accessories	544.1	535.4	-1.6
9. Women's Outerwear and Girls' Wear	395.6	376.9	-4.7
10. Men's Clothing	614.6	603.8	-1.8
11. Men's Furnishings	584.2	585.2	0.2
12. Boys' Clothing and Furnishings	504.4	482.1	-4.4
13. Jewelry	981.2	965.3	-1.6
14. Notions	803.3	729.7	-9.2
15. Toilet Articles and Drugs	929.7	946.8	1.8
16. Furniture and Bedding	662.8	678.4	2.4
17. Floor Coverings	583.9	602.4	3.2
18. Housewares	811.8	813.6	0.2
19. Major Appliances	241.8	237.7	-1.7
20. Radio and Television	73.5	69.6	-5.3
21. Recreation and Education ²	108.3	100.7	-7.0
22. Home Improvements ²	134.0	130.3	-2.8
23. Auto Accessories ²	107.8	107.8	0.0
Groups 1 – 15: Soft Goods	593.1	586.4	-1.1
Groups 16 – 20: Durable Goods	461.9	459.0	-0.6
Groups 21 – 23: Misc. Goods ²	111.5	106.0	-4.9
Store Total ³	547.5	539.4	-1.5

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, food, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

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