

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

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

LIFO; price indexes; department stores. The January 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, January 31, 2004.

Rev. Rul. 2004-35

The following Department Store Inventory Price Indexes for January 2004 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, 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.

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

Groups	Jan. 2003	Jan. 2004	Percent Change from Jan. 2003 to Jan. 2004 ¹
1. Piece Goods	465.2	468.0	0.6
2. Domestic and Draperies	566.8	543.5	-4.1
3. Women's and Children's Shoes	648.4	599.6	-7.5
4. Men's Shoes	876.7	849.6	-3.1
5. Infants' Wear	593.8	578.1	-2.6
6. Women's Underwear	524.0	504.8	-3.7
7. Women's Hosiery	339.8	350.5	3.1
8. Women's and Girls' Accessories	549.7	544.8	-0.9
9. Women's Outerwear and Girls' Wear	338.3	335.6	-0.8
10. Men's Clothing	550.9	530.7	-3.7
11. Men's Furnishings	567.3	574.2	1.2
12. Boys' Clothing and Furnishings	427.1	416.3	-2.5
13. Jewelry	866.4	888.4	2.5
14. Notions	782.8	788.2	0.7
15. Toilet Articles and Drugs	971.1	981.0	1.0
16. Furniture and Bedding	626.3	617.5	-1.4
17. Floor Coverings	593.0	595.4	0.4
18. Housewares	736.4	710.7	-3.5
19. Major Appliances	220.0	205.5	-6.6
20. Radio and Television	47.1	43.5	-7.6

BUREAU OF LABOR STATISTICS, DEPARTMENT STORE
INVENTORY PRICE INDEXES BY DEPARTMENT GROUPS

(January 1941 = 100, unless otherwise noted)

Groups	Jan. 2003	Jan. 2004	Percent Change from Jan. 2003 to Jan. 2004 ¹
21. Recreation and Education ²	84.2	81.3	-3.4
22. Home Improvements ²	125.5	127.7	1.8
23. Automotive Accessories ²	112.0	112.3	0.3
Groups 1–15: Soft Goods	552.0	545.3	-1.2
Groups 16–20: Durable Goods.....	403.0	386.5	-4.1
Groups 21–23: Misc. Goods ²	95.3	93.6	-1.8
Store Total ³	497.8	488.6	-1.8

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

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