

The following Department Store Inventory Price Indexes for February 2005 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, February 28, 2005.

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.

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

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

LIFO; price indexes; department stores. The February 2005 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, February 28, 2005.

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

Groups	Feb. 2004	Feb. 2005	Percent Change from Feb. 2004 to Feb. 2005 ¹
1. Piece Goods	469.3	479.3	2.1
2. Domestic and Draperies	536.5	533.5	-0.6
3. Women's and Children's Shoes	609.9	663.6	8.8
4. Men's Shoes	850.4	852.2	0.2
5. Infants' Wear	583.8	575.5	-1.4
6. Women's Underwear	506.7	527.1	4.0
7. Women's Hosiery	354.3	349.2	-1.4
8. Women's and Girls' Accessories	556.6	592.0	6.4
9. Women's Outerwear and Girls' Wear	341.9	346.8	1.4
10. Men's Clothing	534.0	550.9	3.2
11. Men's Furnishings	572.3	574.2	0.3
12. Boys' Clothing and Furnishings	436.6	423.5	-3.0
13. Jewelry	895.7	878.8	-1.9
14. Notions	793.9	780.0	-1.8
15. Toilet Articles and Drugs	984.6	998.7	1.4
16. Furniture and Bedding	624.2	601.8	-3.6
17. Floor Coverings	592.6	602.4	1.7
18. Housewares	715.2	713.8	-0.2
19. Major Appliances	206.8	203.7	-1.5
20. Radio and Television	43.3	39.7	-8.3
21. Recreation and Education ²	81.6	79.7	-2.3
22. Home Improvements ²	128.9	136.1	5.6
23. Automotive Accessories ²	112.1	113.9	1.6

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

Groups	Feb. 2004	Feb. 2005	Percent Change from Feb. 2004 to Feb. 2005 ¹
Groups 1–15: Soft Goods	549.5	556.7	1.3
Groups 16–20: Durable Goods.....	388.6	381.0	-2.0
Groups 21–23: Misc. Goods ²	93.9	93.8	-0.1
Store Total ³	491.9	494.3	0.5

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) 622-7924 (not a toll-free call).