



retail inventory and last-in, first-out inventory methods for valuing inventories for tax years ended on, or with reference to, August 31, 1997.

Rev. Rul. 97-43

The following Department Store Inventory Price Indexes for August 1997 were issued by the Bureau of Labor Statistics on September 16, 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, August 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.

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

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

LIFO; price indexes; department stores. The August 1997 Bureau of Labor Statistics price indexes are accepted for use by department stores employing the

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

Groups	Aug. 1996	Aug. 1997	Percent Change from Aug. 1996 to Aug. 1997 ¹
1. Piece Goods . . . . .	.524.3	509.3	-2.9
2. Domestics and Draperies . . . . .	.642.6	652.8	1.6
3. Women's and Children's Shoes . . . . .	.640.3	644.1	0.6
4. Men's Shoes . . . . .	.895.9	895.6	0.0
5. Infants' Wear . . . . .	.610.3	621.2	1.8
6. Women's Underwear . . . . .	.525.8	548.8	4.4
7. Women's Hosiery . . . . .	.287.5	301.6	4.9
8. Women's and Girls' Accessories . . . . .	.546.2	539.7	-1.2
9. Women's Outerwear and Girls' Wear . . . . .	.381.2	397.4	4.2
10. Men's Clothing . . . . .	.611.7	621.2	1.6
11. Men's Furnishings . . . . .	.567.9	584.8	3.0
12. Boys' Clothing and Furnishings . . . . .	.485.4	492.2	1.4
13. Jewelry	1023.8	1008.6	-1.5
14. Notions . . . . .	.770.0	793.8	3.1
15. Toilet Articles and Drugs . . . . .	.885.1	904.7	2.2
16. Furniture and Bedding . . . . .	.669.2	661.0	-1.2
17. Floor Coverings . . . . .	.588.7	598.8	1.7
18. Housewares . . . . .	.810.6	806.1	-0.6
19. Major Appliances . . . . .	.244.8	242.8	-0.8
20. Radio and Television . . . . .	.78.8	75.4	-4.3

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

Groups	Aug. 1996	Aug. 1997	Percent Change from Aug. 1996 to Aug. 1997 ¹
21. Recreation and Education ²	112.1	110.1	-1.822.
Home Improvements ²	125.9	132.3	5.1
23. Auto Accessories ²	107.2	108.4	1.1
Groups 1 – 15: Soft Goods-	582.9	594.5	2.0
Groups 16 – 20: Durable Goods	469.2	463.1	-1.3
Groups 21 – 23: Misc. Goods ²	113.1	112.6	-0.4
Store Total ³	544.0	549.3	1.0

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