

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, September 30, 1998.

Rev. Rul. 98-54

The following Department Store Inventory Price Indexes for September 1998 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, September 30, 1998.

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 September 1998 Bureau of

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

Groups	Sept. 1997	Sept. 1998	Percent Change from Sept. 1997 to Sept. 1998 ¹
1. Piece Goods	521.1	542.3	4.1
2. Domestic and Draperies	646.6	634.0	-1.9
3. Women's and Children's Shoes	652.0	664.9	2.0
4. Men's Shoes	902.9	915.1	1.4
5. Infants' Wear	623.3	621.4	-0.3
6. Women's Underwear	557.8	569.3	2.1
7. Women's Hosiery	304.3	308.7	1.4
8. Women's and Girls' Accessories	544.1	545.7	0.3
9. Women's Outerwear and Girls' Wear	422.2	419.3	-0.7
10. Men's Clothing	620.2	614.9	-0.9
11. Men's Furnishings	603.1	595.5	-1.3

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

Groups	Sept. 1997	Sept. 1998	Percent Change from Sept. 1997 to Sept. 1998 ¹
12. Boys' Clothing and Furnishings	498.7	511.6	2.6
13. Jewelry	1009.5	973.7	-3.5
14. Notions	842.0	754.8	-10.4
15. Toilet Articles and Drugs	904.6	939.8	3.9
16. Furniture and Bedding	662.7	673.8	1.7
17. Floor Coverings	583.2	602.1	3.2
18. Housewares	816.8	807.8	-1.1
19. Major Appliances	243.4	236.9	-2.7
20. Radio and Television	74.9	71.0	-5.2
21. Recreation and Education ²	108.9	103.2	-5.2
22. Home Improvements ²	131.7	129.9	-1.4
23. Auto Accessories ²	108.3	107.5	-0.7
Groups 1 – 15: Soft Goods	606.4	605.4	-0.2
Groups 16 – 20: Durable Goods	465.3	458.1	-1.5
Groups 21 – 23: Misc. Goods ²	111.8	107.6	-3.8
Store Total ³	556.7	551.9	-0.9

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, food, 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).

Section 1361.—S Corporation Defined

If a taxpayer files a qualified subchapter S subsidiary (QSub) election after the due date for a de-

sired effective date but within 12 months of that due date, may the taxpayer obtain relief under §301.9100 of the regulations without applying for a private letter ruling? See Rev. Proc. 98-55, page 27.

Section 1362.—Election; Revocation; Termination

26 CFR 1.1362-4: Inadvertent terminations.

If a qualified subchapter S trust election or an electing small business trust election is filed after the required due date but within 24 months of that due date, may the beneficiary (in the case of a QSST) or the trustee (in the case of an ESBT) obtain

relief under §1362(f) without applying for a private letter ruling? See Rev. Proc. 98-55, page 27.

26 CFR 1.1362-6: Elections and consents.

If a taxpayer files an S corporation election after the statutory due date but within 12 months of that statutory due date, may the taxpayer obtain relief under § 1362(b)(5) of the Internal Revenue Code without applying for a private letter ruling? See Rev. Proc. 98-55, page 27.