

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

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

**LIFO; price indexes; department stores.** The December 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, December 31, 2004.

## Rev. Rul. 2005-12

The following Department Store Inventory Price Indexes for December 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, December 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	Dec. 2003	Dec. 2004	Percent Change from Dec. 2003 to Dec. 2004 <sup>1</sup>
1. Piece Goods . . . . .	473.7	495.2	4.5
2. Domestics and Draperies . . . . .	543.9	527.4	-3.0
3. Women's and Children's Shoes . . . . .	629.7	650.7	3.3
4. Men's Shoes . . . . .	847.8	841.5	-0.7
5. Infants' Wear . . . . .	586.4	577.4	-1.5
6. Women's Underwear . . . . .	509.6	517.2	1.5
7. Women's Hosiery . . . . .	344.1	339.2	-1.4
8. Women's and Girls' Accessories . . . . .	551.3	565.6	2.6
9. Women's Outerwear and Girls' Wear . . . . .	362.7	352.5	-2.8
10. Men's Clothing . . . . .	535.1	535.8	0.1
11. Men's Furnishings . . . . .	583.4	569.9	-2.3
12. Boys' Clothing and Furnishings . . . . .	429.0	414.2	-3.4
13. Jewelry . . . . .	848.0	866.2	2.1
14. Notions . . . . .	799.6	792.2	-0.9
15. Toilet Articles and Drugs . . . . .	976.5	992.1	1.6
16. Furniture and Bedding . . . . .	612.9	602.0	-1.8
17. Floor Coverings . . . . .	595.1	592.5	-0.4
18. Housewares . . . . .	710.6	708.0	-0.4
19. Major Appliances . . . . .	206.8	199.9	-3.3
20. Radio and Television . . . . .	43.8	40.3	-8.0
21. Recreation and Education <sup>2</sup> . . . . .	81.5	78.3	-3.9
22. Home Improvements <sup>2</sup> . . . . .	125.4	131.7	5.0
23. Automotive Accessories <sup>2</sup> . . . . .	112.1	112.9	0.7
Groups 1-15: Soft Goods . . . . .	555.8	552.5	-0.6
Groups 16-20: Durable Goods . . . . .	386.8	378.5	-2.1
Groups 21-23: Misc. Goods <sup>2</sup> . . . . .	93.5	92.2	-1.4
Store Total <sup>3</sup> . . . . .	495.1	490.1	-1.0

<sup>1</sup>Absence of a minus sign before the percentage change in this column signifies a price increase.

<sup>2</sup>Indexes on a January 1986 = 100 base.

<sup>3</sup>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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