

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

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

LIFO; price indexes; department stores. The November 1996 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, November 30, 1996.

Rev. Rul. 97-6

The following Department Store Inventory Price Indexes for November 1996 were issued by the Bureau of Labor Statistics on December 12, 1996. 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, November 30, 1996.

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.

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

Groups	Nov. 1995	Nov. 1996	Percent Change from Nov. 1995 to Nov. 1996 ¹
1. Piece Goods	509.3	555.9	9.1
2. Domestic and Draperies	632.0	634.7	0.4
3. Women's and Children's Shoes	637.8	656.1	2.9
4. Men's Shoes	921.8	903.7	-2.0
5. Infants' Wear	636.8	614.8	-3.5
6. Women's Underwear	527.8	535.4	1.4
7. Women's Hosiery	288.2	287.4	-0.3
8. Women's and Girls' Accessories	559.8	562.5	0.5
9. Women's Outerwear and Girls' Wear	419.3	415.9	-0.8
10. Men's Clothing	623.7	633.0	1.5
11. Men's Furnishings	572.7	591.5	3.3
12. Boys' Clothing and Furnishings	485.5	495.1	2.0
13. Jewelry	1001.1	1020.6	1.9
14. Notions	776.6	740.7	-4.6
15. Toilet Articles and Drugs	875.3	903.4	3.2
16. Furniture and Bedding	661.2	667.8	1.0
17. Floor Coverings	555.4	585.6	5.4
18. Housewares	790.5	804.5	1.8
19. Major Appliances	248.7	244.2	-1.8
20. Radio and Television	79.9	78.1	-2.3
21. Recreation and Education ²	113.4	111.3	-1.9
22. Home Improvements ²	121.9	130.6	7.1
23. Auto Accessories ²	107.0	107.1	0.1
Groups 1 - 15: Soft Goods	595.2	602.1	1.2
Groups 16 - 20: Durable Goods	465.0	466.5	0.3
Groups 21 - 23: Misc. Goods ²	113.5	113.0	-0.4
Store Total ³	550.7	555.1	0.8

¹ Absence of a minus sign before percentage change in this column signifies price increase.

² Indexes on a January 1986=100 base.

³ The store total index covers all departments, including some not listed separately, except for the following: candy, foods, liquor, tobacco, and contract departments.

DRAFTING INFORMATION

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26 CFR 1.501(c)(5)-1: Labor, agricultural, and horticultural organizations.

Section 501.—Exemption From Tax on Corporations, Certain Trusts, etc.

Rev. Proc. 95-21, 1995-1 C.B. 686, which applies to organizations described in section 501(c)(5) that receive associate member dues payments, is modified to take into account newly enacted section 512(d). See Rev. Proc. 97-12, page 7.

26 CFR 1.501(c)(6)-1: Business leagues, chambers of commerce, real estate boards, and boards of trade.

The principles contained in Rev. Proc. 95-21, 1995-1 C.B. 686, which apply to organizations described in section 501(c)(5) that receive associate member dues payments, also apply to organizations described in section 501(c)(6). See Rev. Proc. 97-12, page 7.

Section 512.—Unrelated Business Taxable Income

26 CFR 1.512(a)-1: Definition.

The principles contained in Rev. Proc. 95-21, 1995-1 C.B. 686, which apply to organizations described in section 501(c)(5) that receive associate member dues payments, are extended to organizations described in section 501(c)(6). Also, Rev. Proc. 95-21 is modified to take into account newly enacted section 512(d). See Rev. Proc. 97-12, page 7.