



LIFO UPDATE

If you had called me personally to ask "What's happening lately with LIFO that I need to know about?" ... Here's what I'd say:

#1. DEALERS CAN'T USE REPLACEMENT COST FOR PARTS INVENTORIES.

The Tax Court recently decided that a dealer can't use replacement cost for parts inventories on LIFO. That isn't good news. And, it has troubling implications for **all** dealers, not just for those using LIFO. The Court held that:

1. The use of **replacement cost** in determining the current-year cost of the dealer's LIFO parts pool **is contrary to the LIFO regulations.**
2. The use of replacement cost **does not clearly reflect income.**
3. The dealer was entitled to **no relief because the dealer failed to maintain detailed inventory records.** As a result, the IRS couldn't verify the dealer's inventory computations and/or their compliance with the regulations.

When the IRS added the entire parts LIFO reserve back into the dealer's income, the Tax Court said this was not the equivalent of terminating the dealer's LIFO election. Perhaps technically so, but here in the real world, it sure seems a lot like that's what happened.

The Court noted that before electing LIFO, the dealer had made no attempt to determine whether it could have modified its perpetual inventory recordkeeping system so that it could have used invoice prices in valuing its parts inventory at cost. It is doubtful that any dealer has *ever* done this *before* electing LIFO for a parts inventory. We could go on and on, but won't for now.

Mountain State Ford Truck Sales v. Comm. was filed March 2, 1999 (Docket No. 16350-95, 112 T.C. No. 7). This case was decided based on the record before the Court. However, it implicates all dealers—whether or not they are on LIFO for parts—because the use of replacement cost to value parts inventories has always been generally accepted as standard industry practice ... until now.

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Until clarified, interpretations of this case will vary, and no one knows how far the IRS will try to push it as precedent. You can expect to hear more about this case in the future. Coverage begins on pg. 3.

#2. USED VEHICLE LIFO COMPUTATIONS

TAKE A HIT. In LTR 9853003, the IRS held that an auto dealer could not take any short-cuts in computing used vehicle LIFO inflation indexes. As the basis for comparative beginning-of-the-year costs, the dealer was required to use multiple official used car guides covering the day 52 weeks prior to the date that the dealer acquired each used vehicle still in ending inventory.

To make matters more complicated, the IRS said that in order to "clearly reflect income," the dealer must take into consideration a vehicle of similar make, model, age, condition, mileage and options.

see **LIFO UPDATE**, page 2

This *clear reflection of income* standard continues to elude taxpayers in just about every situation where the IRS raises it as an argument.

Since many CPAs do not make exact one year matches to the date of acquisition in their used vehicle LIFO computations, this IRS position may be unsettling. For more on this, see page 15.

#3. FIELD SERVICE ADVICE UPDATE. Three FSAs recently became available and each provided more insights into IRS thinking on LIFO issues. In FSA 1999-622, the components-of-cost method was not allowed for valuing LIFO inventories. In FSA 1999-627, IRS auditors were upheld in their restrictive positions on adjustments that taxpayers should be required to make when they change to the LIFO method. FSA 1999-501 clarified the extent to which audit protection would be afforded to a dealer who changed to the Alternative LIFO Method for new vehicles. These FSAs will be discussed in a future issue.

#4. IRS CONTINUES TO CHALLENGE YEAR-END (LIFO PLANNING) TRANSFERS INTENDED TO PRESERVE LOW COST LIFO LAYERS. In two recent letter rulings/TAMs, IRS agents challenged year-end maneuvering intended to preserve LIFO benefits in the face of falling inventory levels.

In LTR 9847003, the IRS reversed or ignored the taxpayer's attempt to use an affiliated company as a purchasing and holding company. The IRS determined that the taxpayer's intent was to manipulate the quantity of goods in ending inventory and to artificially inflate its cost of goods sold.

In LTR 1999040305, the taxpayer prevailed because it was able to show valid sales agreements and economic substance in support of its year-end inventory transfers to its parent.

Both LTRs will be covered in an upcoming issue.

#5. NEW ITEMS FOR DECEMBER 31, 1998 YEAR-END LIFO COMPUTATIONS ... 1996-1997-1998 COMPARATIVE LISTS. We are pleased to continue a regular annual feature—the presentation of our “new items” list for new item categories under the Alternative LIFO Method. Unfortunately, at this time, we are unable to compare our new items lists with a similar list compiled by the IRS.

Our current new items list begins on page 20, and we have also included our own new item determinations for the comparable previous two years-end (December 31, 1996 and 1997). This will give you an idea of the extent of the changes *by make and by model* over the three-year period ending December 31, 1998. These lists are prefaced on page 20 with our usual comments and observations.

#6. RE: OUR RECENT SUBSCRIBER SURVEY.

We thank those of you who responded for sharing your thoughts on our publications.

If you were not contacted by the firm we had conduct this survey because of the random nature of their selection process, we'd be pleased to send or fax you a copy of their questionnaire. This will only take a few minutes of your time to complete.

Several of you told us that you felt there either was too much overlap between our two publications (the *LIFO Lookout* and the *Dealer Tax Watch*) or that either one or the other would probably now be sufficient for your needs.

In the past, there has been some overlapping of dealer LIFO news between our two publications. This was simply because we didn't want to deprive those who subscribed only to the *Dealer Tax Watch* of certain auto dealer update information on LIFO issues because they were covered more thoroughly in the *LIFO Lookout*.

In the future, there will be no duplication. All LIFO-related subjects will be treated only in the *LIFO Lookout*; all other dealer-related tax issues will be covered in the *Dealer Tax Watch*, with only a one or two paragraph summary in the *DTW Update* portion mentioning the LIFO-related matters. Therefore, all detailed auto dealer LIFO coverage will be included only in the *LIFO Lookout* in the future. Our website includes the tables of contents for the current issues of both publications.

Several respondents indicated they would like to receive the publications on a more timely basis. We share your desire in this respect and will make a greater effort to get the publications into your hands on a more timely basis in the future.

Some suggested that by expanding the frequency to six issues, the information might be more timely. For the present, we are not planning to increase (or decrease) the frequency of publication, but as indicated above, we will strive to get each issue into your hands more promptly. That's why you're receiving this issue before...not after...April 15.

The December issue of the *LIFO Lookout* contains our “One-Of-Each Inflation Index Estimates.” We are pleased to make that information available to you *in advance of the actual mailing of the December issue*. Just call or fax us and request the specific makes you're interested in. This has always been our practice in the past, as some of you already know. Please excuse us for not calling your attention to this sooner or more prominently. *



DEALERS CAN'T USE REPLACEMENT COST FOR PARTS INVENTORIES ON LIFO... *MOUNTAIN STATE FORD TRUCK SALES, INC.*

In *Mountain State Ford Truck Sales, Inc.*, the Tax Court recently disallowed a truck dealer's use of replacement cost for parts inventories on LIFO. This case was filed March 2, 1999 (Docket No. 16350-95, 112 T.C. No. 7). The news wasn't good for the dealer, and there are troubling implications for **all** dealers ...not just for those using LIFO.

The taxpayer, a heavy-duty truck dealer, elected in 1980 to apply LIFO to its parts inventory using a dollar-value, link-chain method. It also elected to use "the most recent purchases method" in computing the "total current-year cost of items making up" its parts pool. In determining that current-year cost as a first step in valuing its LIFO parts inventory, the dealer used the Ford and Isuzu manufacturers' price lists that were in effect as of the date of its physical inventory—i.e., the replacement costs—for the inventoried parts that it had purchased.

The IRS challenged this method of using replacement cost in valuing parts inventory under the LIFO method. The IRS position was that the use of replacement cost does not clearly reflect income because it is contrary to the requirements of Section 472 and the regulations thereunder. The IRS further determined that the dealer's income for 1991 should be adjusted to include the amount of the LIFO reserve that had been computed during the entire 12 year period from 1980 through 1991.

Although this case does not involve a large amount of money (if you don't count the cost of defending it), it does involve several very significant principles. The IRS adjustment originally proposed was \$464,000; but after many recalculations, it was determined that the IRS adjustment would be only \$54,000...if the Court were to agree with the dealer's method of using replacement cost. Although the dealer had also elected LIFO for its new vehicle inventories, that was not an issue, nor were there any issues regarding the calculations of the price indexes for the parts inventories for the Court to decide.

Reduced to its simplest terms, the dispute was over whether a dealer can use replacement cost—instead of actual cost—for valuing parts inventories on LIFO. The IRS—and the Tax Court—said "**NO.**" If all you want is a one-minute summary, see "At A Glance" on page 5.

Detailed background information can be found in "More About the Dealer and Its Use of Replacement Cost for Parts Inventories" on page 12. Prior to electing LIFO, the dealership was wholly-owned by Ford Motor Company, and it was subject to Ford's control and financial statement/accounting system requirements. For more on this and some of the apparent implications, see "Why Didn't You Change to Actual Cost Before Electing LIFO?" on page 9.

In 1978, a few years before electing LIFO, Mountain State Ford had been through an IRS audit and no adjustments were proposed in that audit to its method of valuing parts at replacement cost.

In the current situation, about ten years later, the IRS position was that the term "cost" means **actual** cost, and that this required the determination of the current-year cost of items making up the parts pool to be made on the basis of, or by reference to, **actual** cost. As discussed later, the dealer had conceded that if the Court were to find that its method of using replacement cost was contrary to the LIFO regulations, then that method (i.e., replacement cost) would not clearly reflect income.

Mountain State's position was that the "cost" requirement in Section 472(b)(2) was simply the expression of the rule that the lower-of-cost-or-market method may not be used in conjunction with the LIFO method. Mountain State argued that the IRS was attempting to extend the cost requirement in Section 472(b)(2) far beyond its intended scope. It also contended that the use of replacement cost...under the dollar-value LIFO method...did not in any way represent a use of a lower-of-cost-or-market method and, accordingly, it did not violate the cost requirement of Section 472.

THE TAX COURT SAYS: "COST" MEANS **ACTUAL** COST

The Tax Court stated that even if the dealer were correct in its contention about why Congress required LIFO inventories to be valued at cost, those contentions did not address the meaning of the term "cost" in Section 472(b)(2). That section provides that in inventorying goods specified in the application (i.e., the Form 970), the taxpayer shall...inventory them **at cost**. Furthermore, Reg. Sec. 1.472-2(b) provides that "the inventory shall be taken **at cost** regardless of market value."

see **DEALERS CAN'T USE REPLACEMENT COST...**, page 4



All parties—the dealer, the IRS and the Tax Court—whipped out their respective dictionaries to look up the meaning of the word “cost.” According to the IRS, the commonly understood and generally accepted meaning of the word “cost,” as reflected in dictionary definitions, is **actual** cost. According to the dealer, dictionary definitions of the word “cost” clearly encompass replacement cost. The Tax Court agreed with the IRS, citing *Black's Law Dictionary*, *Merriam-Webster's Collegiate Dictionary* and *Webster's Third New International Dictionary*.

The Court said: “We conclude that the common and ordinary meaning of the word ‘**cost**’ is the actual cost or the price paid for something.” It also observed, citing *Accounting Research Bulletin No. 43*, that the accounting profession **generally** defines the word “cost” as used in inventory accounting “as the price paid or consideration given to acquire an asset.” Then the Court went further, stating that it saw no reason to rely on dictionary (or other) definitions of the word “cost,” because the term “cost” is defined in regulations under Section 471, the “General Rule for Inventories.”

The Court said that the application of the definition of “cost” in Reg. Sec. 1.471-3 (captioned “Inventories **at cost**”)—which is based on what the Court had concluded was the common and ordinary meaning of the word “cost”—will result in a determination of the **actual** cost of merchandise or goods purchased or produced during the taxable year, or in certain instances, in an approximation of such cost determined upon a reasonable basis (reasonable approximation). Reg. Sec. 1.471-3(b) defines the term “cost” in the case of merchandise purchased since the beginning of the taxable year as “the invoice price,” and Reg. Sec. 1.471-3(d) provides that **in certain instances** cost may be approximated upon such basis as may be reasonable and in conformity with established trade practices in the particular industry.

The Court pointed out that the definition of the term “cost” in Reg. Sec. 1.471-3 is virtually the same as the definition of the term “cost” as it appeared in the original regulations promulgated in 1918. Furthermore, that definition of the term “cost” was republished using virtually the same language in all subsequent Federal tax provisions that continued to require certain taxpayers to use the inventory accounting method. Accordingly, said the Court, the term “cost” in inventory tax accounting had a settled meaning when Congress permitted LIFO elections first by certain taxpayers, and then later by all taxpayers.

The Court then stated: “**In requiring that goods for which a taxpayer adopted the LIFO method be inventoried at cost, Congress presumptively was aware of the established regulatory definition of the term ‘cost’ in inventory tax accounting. If Congress had intended for the term ‘cost’ in LIFO inventory tax accounting to have a meaning different from that regulatory definition, it would have so stated.**” It did not do so when it first enacted the LIFO provisions or at any other time thereafter. We hold that the definition of the term “cost” in Reg. Sec. 1.471-3, which is intended to arrive at **actual** cost, applies to the term “cost” in Section 472(b)(2) and the regulation thereunder.”

These statements by the Court send several clear messages. First: If taxpayers don't like this result, they should get Congress to change the law. They shouldn't expect the Courts to bend the law for them. Second: By anchoring the operative definition of “**cost**” to be determined by actual cost, as found in the actual cost wording of the regulations under the broader inventory provisions of Section 471, the holding in *Mountain State Ford Truck Sales* impacts situations where replacement cost is used by all taxpayers (not only dealers) in all situations (not only LIFO situations).

THE COURT'S HOLDINGS

Following from its holding that “cost” means actual cost (and therefore that the term “cost” does not include replacement cost), the Court held:

1. The use of **replacement cost** in determining the current-year cost of the dealer's LIFO parts pool **is contrary to the LIFO regulations**. The definition of the term “cost” in Reg. Sec. 1.471-3, which is intended to arrive at actual cost, applies to the term “cost” in Section 472(b)(2) and the regulation thereunder.

2. The use of replacement cost **does not clearly reflect income**. If replacement cost fails to satisfy the clear reflection of income standard—which is the first part of a two part test—then it is irrelevant whether or not replacement cost accords with Generally Accepted Accounting Principles—which is the second part of that two part test. In this regard, the concession made by the taxpayer was significant because it allows this holding to automatically follow from #1 above.

3. The dealer was entitled to **no relief** because it **failed to maintain detailed inventory records**. As a result, the IRS couldn't verify the dealer's inventory computations and whether or not they complied with the regulations.

see **DEALERS CAN'T USE REPLACEMENT COST...**, page 6



**THE USE OF REPLACEMENT COST
IN CONNECTION WITH
PARTS INVENTORIES ON LIFO**

**THE
ISSUES
IN PLAIN
LANGUAGE**

Could the dealer use replacement cost in connection with, and as the basis for, its LIFO computations for parts inventories? (Answer: *No*)

If not, could the IRS terminate the dealer's LIFO election for parts inventories ... or require some equivalent result? (Answer: *Yes*)

Was the fact that on the Form 970 filed the dealer said it would use *actual* cost fatal to the taxpayer's situation? (Answer: *Probably*)

**THE
TWO
ISSUES
AS
FRAMED
BY THE
COURT**

First, "Did respondent (i.e., the IRS Commissioner) abuse respondent's discretion in determining that Mountain State Ford's method of using replacement cost in valuing its parts inventory under the LIFO method does not clearly reflect income?"

"We hold the respondent did not."

Second, "Even though we have held that respondent did not abuse respondent's discretion in making the determination described above, did respondent abuse respondent's discretion by placing Mountain State Ford on an impermissible method of inventory accounting when respondent adjusted Mountain State Ford's ordinary income for 1991 to include the amount of the so-called LIFO reserve that it had calculated during the period 1980 through 1991?"

"We hold the respondent did not."

**THE
COURT'S
HOLDINGS**

The dealer's use of replacement cost in determining the current-year cost of the dealer's LIFO parts pool is contrary to the LIFO regulations. The definition of the term "cost" (in Reg. Sec. 1.471-3), which is intended to arrive at actual cost, applies to the term "cost" in Sec. 472 (b)(2) and the regulation thereunder.

The dealer's use of replacement cost does not clearly reflect income. Since the "clear reflection of income" standard is not met, that makes it unnecessary for the Court to address whether Mountain State Ford's method of using replacement cost under the LIFO method complies with generally accepted accounting principles (GAAP) and conforms as nearly as may be to the best practice in the dealer's trade or business, as required by Sec. 471 and the regulations thereunder.

The dealer was entitled to no relief because the dealer failed to maintain "detailed inventory records." As a result, the IRS couldn't verify the dealer's inventory computations and their compliance with the regulations.

**CASE
CITATION**

Mountain State Ford Truck Sales, Inc., E. P. O'Meara, Tax Matters Person v. Commissioner of Internal Revenue,
112 T.C. No. 7 ... Docket No. 16350-95 ... Filed March 2, 1999



The Court noted that before electing LIFO, the dealer had made no attempt to determine whether it could have modified its perpetual inventory recordkeeping system so that it could have used invoice prices in valuing its parts inventory at cost. It is doubtful that dealers have ever done this before electing LIFO for their parts inventories...although that is not to say that (apparently) they should have!

When the IRS added the entire parts LIFO reserve back into the dealer's income in 1991, the Tax Court said this was not the equivalent of terminating the dealer's LIFO election. Perhaps technically so, but as a practical matter, what should Mountain State Ford or any other dealer using LIFO for parts inventories do under the circumstances? It would appear that they should continue to use replacement cost until they first obtain permission from the IRS...by filing Form 3115...to change from that method to some other method. Query: like what other method?

THE ISSUES AS FRAMED BY THE COURT & ARGUED BY THE PARTIES

By the time the legal wordsmithing was finished, the issues were couched in words and terms that made them almost unrecognizable. The Court's wording of these two issues is verbatim in the "At A Glance" summary.

Mountain State Ford Truck Sales requires an analysis of the relationship of (1) Section 472, entitled "Last-In, First-Out Inventories;" (2) Section 446, entitled "General Rules for Methods of Accounting;" and (3) Section 471, entitled "General Rule for Inventories." Sections 446 and 471 and the regulations thereunder are the provisions that vest the Commissioner of Internal Revenue with wide discretion in determining whether a taxpayer's method of inventory accounting should be disallowed because it does not clearly reflect income.

The Commissioner's interpretation of the clear-reflection standard under Sections 446 and 471 may not be disturbed unless it is clearly unlawful or plainly arbitrary. However, the Commissioner's discretion under these sections is not without limit. Even if a taxpayer's accounting method does not result in a clear reflection of income, the Commissioner may not change the taxpayer's accounting method to another method if that method proposed by the Commissioner also fails to clearly reflect income.

In the opinion of Mountain State Ford, the question relating to the clear-reflection-of-income standard was whether the IRS Commissioner abused his/her discretion in concluding that...Mountain State Ford's use of replacement cost in determining the current-year cost of its parts pool pursuant to any

other proper method under Reg. Sec. 1.472-8(e)(2)(ii)(d) does not clearly reflect income. The IRS agreed with the dealer's framing of the issue relating to the clear-reflection-of-income standard...**except** that the IRS contended that Mountain State Ford had elected in the Form 970 it filed to use the most recent purchases method, and not "any other proper method," in determining the current-year cost of its parts pool. That wording in the taxpayer's Form 970 and attachments clearly was used against the taxpayer. One might say it "cost" the taxpayer dearly, no pun intended.

The IRS and the Tax Court found every way possible to make the inaccuracy or inconsistency in the Form 970 wording work against the taxpayer. See the accompanying discussion on page 8 on "The Importance of Accuracy on Form 970." In light of the contradictory wording in the taxpayer's Form 970 and attachments...and the IRS positions based upon these inconsistencies...the action of the Commissioner could hardly be called "clearly unlawful," "plainly arbitrary," or beyond the boundary of the "wide discretion" the Commissioner enjoys in these areas. Could it?

The second issue (cryptically worded) was whether the IRS should be prevented from changing Mountain State Ford's method because the change proposed by the IRS was to an impermissible method that also does not clearly reflect income. In this regard, the taxpayer argued,

"The respondent (IRS) is unwilling to admit the consequences of the adjustments he seeks in this case. The respondent claims he has not replaced one impermissible method with another. The respondent in his brief refuses to admit that his adjustment changes... (Mountain State Ford's) inventory value from a dollar-value LIFO value determined using replacement costs as current-year costs to an inventory value that is in its entirety equal to current replacement costs.

"At trial, however, the respondent admitted that this was the case. ...It is internally inconsistent for the respondent to claim that a LIFO inventory value based on using replacement costs as current-year costs does not clearly reflect income while maintaining that the inventory must be adjusted to a value that is *in its entirety* equal to current replacement costs. If the respondent were correct in his claim that the use of replacement costs to determine current-year costs under dollar-value LIFO produces an impermissible inventory value, then an inventory value based *entirely* on current replacement costs would surely be even more impermissible."

→



In response to this argument, the IRS took the position that it had not terminated Mountain State Ford's elections to value its parts inventory under dollar-value, link-chain LIFO method and to use the most recent purchases method in determining the current-year cost of its parts pool. Instead, the IRS argued that it had merely required Mountain State Ford to conform to the elections that it had made in the Form 970 which it filed with its 1980 tax return. Again, the inaccurate/inconsistent language appearing on the Form 970 hurt the taxpayer.

In its brief filed with the Court, the IRS stated that all it "has done in this case is to determine that...(Mountain State Ford's) LIFO reserve was incorrectly calculated because...(Mountain State Ford) used replacement cost. ...(Mountain State Ford) did not attempt to reconstruct or recalculate the corrected reserve amount or provide evidence from which an estimate could be made. Because of this, (the IRS) was unable to determine the amount of the corrected reserve and had to restore the reserve to income."

The Tax Court agreed with the IRS. The Court said that Mountain State Ford failed to comply with the requirement that it maintain such supplemental and detailed inventory records "as will enable the district director readily to verify...(Mountain State Ford's) inventory computations as well as...(its) compliance with the requirements of Section 472 and the regulations thereunder." This requirement is found in Reg. Sec. 1.472-2(h).

Mountain State Ford did not have, and did not provide to the IRS, the records that were necessary in order to calculate for the period 1980 through 1991 (1) the LIFO and non-LIFO value of its parts inventory, and (2) its LIFO reserve on the basis of invoice prices or a cost other than replacement cost. Therefore, the non-LIFO value that the IRS used to compute the amount of the adjustment at issue was based on replacement cost.

According to the Court, the IRS did not terminate Mountain State Ford's various LIFO elections. As a result, Mountain State Ford would remain on those methods, and it could not use any other methods without first receiving permission from the Commissioner to make a change.

The Court noted that Section 3.01(c) of Revenue Procedure 79-23 states: "Failure by the taxpayer to value its LIFO inventory at cost for Federal income tax purposes, for the year preceding the LIFO election, the year of the LIFO election, and all subsequent taxable years" **may** warrant the termination of that taxpayer's LIFO election. However, such termina-

tion is within the discretion of the Commissioner and is not mandatory. (See *Consolidated Manufacturing, Inc. v. Commissioner*, 111 T.C. 1, 38 (1998), a case decided by the same Tax Court judge.) In the present case, the Commissioner simply chose not to exercise that discretion and did not terminate Mountain State Ford's LIFO election(s).

Accordingly, on the basis of the record before the Court, the Court found that the Commissioner did not place Mountain State Ford on an improper method of inventory accounting in its notice of proposed adjustment. The Court further found that there was no abuse of discretion in making the adjustment. The IRS simply used replacement cost as the basis for its adjustment to compute the non-LIFO value of the parts inventory because the taxpayer could not provide any other records that could be used for that purpose. Consequently, the Court sustained the add-back of the entire LIFO reserve amount to income in 1991.

**HOW DIFFICULT WOULD IT BE
TO USE ACTUAL COST?
IS IT (REALLY) IMPOSSIBLE?**

One of the dealer's arguments was that by being denied the ability to use replacement cost, the IRS was interpreting the regulations "in a way that will impose **unreasonable administrative burdens** on taxpayers attempting to use the LIFO method or in a way that will diminish or eliminate the availability of the LIFO method to a significant group of taxpayers."

The Court responded that based on its holding that "cost" relates to actual cost, the IRS "has no discretion to deviate from the requirements of the Code...even if such requirements were to impose administrative burdens on Mountain State Ford."

The Judge said that based on the record before the Court, the dealer had not established that the IRS position (that the term "cost" in Section 472 (b)(2) means actual cost) would result in the imposition of unreasonable administrative burdens on Mountain State Ford.

The dealer had testified that no consideration had been given to using invoice prices or actual cost...instead of replacement cost...when it elected the LIFO method. They had simply continued to use the replacement cost method that they had been using all along.

Mountain State made no attempt to determine whether it *could have modified* its perpetual inventory recordkeeping system so that it could have used invoice prices, i.e., actual cost, in valuing its parts inventory. Nor did it determine whether it *could have created* a new inventory recordkeeping system that

see **DEALERS CAN'T USE REPLACEMENT COST...**, page 10



THE IMPORTANCE OF ACCURACY ON FORM 970

FORM
970

Mountain State Ford elected LIFO and attached Form 970, Application to Use LIFO Inventory Method, to its 1980 return. The Form 970 stated that it intended to

- (1) take inventory "at **actual** cost regardless of market value,"
- (2) value its parts inventory on the dollar-value LIFO method,
- (3) use one pool for its entire parts inventory,
- (4) calculate the price index for its parts pool pursuant to the link-chain method, and
- (5) "determine the cost of...[parts] in the closing inventory in excess of those in the opening inventory" on the basis of "most recent purchases"; i.e., pursuant to the most recent purchases method under Reg. Sec. 1.472-8(e)(2)(ii)(a).

In describing the cost system used, a schedule attached to the Form 970 said:

"The taxpayer (Mountain State Ford) keeps detailed records of the cost of all parts in inventory. The total actual cost of all parts inventory will be divided by the number of each type of part on hand at the end of the year."

Another attachment to the Form 970 included the following:

"The taxpayer receives weekly reports from Ford Motor Company which indicate the increase in prices for a major portion of the parts inventory which is supplied to the taxpayer from Ford Motor Company. The taxpayer compares this list of prices with the **actual** cost of the same items in the parts inventory to develop a current year price index. ...The index developed by this large sample is then applied to the total parts inventory. Once a yearly index is developed it will be added to prior year indices to develop a cumulative index."

In electing LIFO, Mountain State simply had used replacement cost as the starting point in determining its ending parts inventory under the dollar-value LIFO method. In other words, it used replacement cost in the computation of the total current-year cost of items making up its parts pool under Reg. Sec. 1.472-8(e)(2)(ii). After computing such current-year cost, Mountain State Ford computed an annual price index designed to measure the change in the

cost of parts from one year to the next. That index was computed by reference to the respective manufacturers' prices each week for parts carried in its parts inventory and the respective manufacturers' prices for such parts as of the end of the preceding week.

THE IMPORTANCE OF BEING SPECIFIC

The IRS said that it was not terminating Mountain State's LIFO election for its parts inventories. Rather, the IRS said it was merely requiring Mountain State Ford "to conform to the elections that it made in the Form 970 which it filed in its 1980 tax return."

The Tax Court said: "...It is also noteworthy that in the Form 970 Mountain State Ford stated that it intended to take inventory 'at **actual** cost regardless of market value.'"

The Tax Court also observed that Mountain State had not specifically elected on Form 970, to use "an **other** method under Reg. Sec. 1.472-8(e)(2)(ii)(d) (any other proper method)." Rather, the taxpayer had specifically elected to use "the most recent purchases method" and not "any **other** proper method." The "most recent purchases method" specifically requires that such cost be determined by "reference to the **actual** cost of the goods most recently purchased."

The Court elsewhere observed that what the taxpayer actually did was inconsistent with what it said it would do: "...In support of his position that Mountain State Ford elected in the Form 970 to use any **other** proper method, petitioner points out that Mountain State Ford 'attached to the Form 970 a description of its method that **clearly indicated** ...[that Mountain State Ford] was basing its index of computations on Ford's latest weekly price lists for parts.'"

"We note initially that Mountain State Ford used replacement cost (viz., the prices reflected in the respective manufacturers' computerized price update tapes) in effect as of the date of Mountain State Ford's physical inventory in determining the current-year cost of its parts pool; it did not use all of the various 'latest weekly price lists' to which Mountain State Ford referred in the Form 970 and which it indicated in that form it intended to use in calculating its price indices under its link-chain method." *



THE COURT ASKS: AFTER YOU BOUGHT OUT FORD, WHY DIDN'T YOU CHANGE TO ACTUAL COST BEFORE ELECTING LIFO?

WHY
NOT
?

At the time of its incorporation, Mountain State Ford was owned 100% by Ford Motor Company. During the period from its incorporation through 1978 when Ford no longer owned any of its stock, Mountain State Ford did not use invoice prices or a purchases account in maintaining its inventory under its perpetual recordkeeping system.

The reason for this was that Ford required the dealer's parts inventory be valued for Ford parts on the basis of "the dealer net prices as incorporated in the latest dealer price lists published by Ford." A similar requirement applied to other manufacturers' parts which had to be valued on the basis of "the dealer net prices as incorporated in the latest dealer price lists published by the applicable manufacturer."

Mountain State Ford *did not* maintain inventory records which showed the invoice price that it paid for each unit of each type of part (1) delivered and/or returned to it and added to its parts inventory; and/or (2) sold by it and removed from that inventory. However, Mountain State Ford did maintain other records, such as accounts payable records and invoices, which listed the invoice price paid for each unit of each type of part delivered to it.

"After 1978, when Ford no longer owned any stock of Mountain State Ford, Mountain State was free to use an engagement letter in employing a CPA to audit its financial statements and prepare its tax returns that was different from the (engagement) letter that it had previously been required to use when Ford owned all of the stock of Mountain State.

"Mountain State Ford also became free to adopt accounting methods and/or procedures that were different from those which it employed when it was owned by Ford, including its method of valuing its parts inventory on the basis of replacement cost, provided that it sought and received the consent of the Internal Revenue Service before it made a change in that method of valuing its parts inventory.

"After 1978, when Ford no longer owned any stock of Mountain State Ford, **Mountain State Ford made no attempt to determine whether it could have modified its perpetual inventory recordkeeping system so that it could have used invoice prices in valuing its parts inventory.**

"Nor did it determine whether it could have created a new inventory recordkeeping system

that could have used invoice prices in that inventory valuation process. Instead, Mountain State Ford continued to use replacement cost in valuing its parts inventory because it had used that method when Ford owned it and because that was the method used by the heavy truck dealer industry.

"Petitioner acknowledges that it is not impossible for Mountain State Ford to use actual cost, and not replacement cost, in valuing its parts inventory. In fact, petitioner's expert on computerized inventory-tracking systems admitted that the reason why there is no inventory recordkeeping system currently available in the automobile and truck dealer industry that uses actual cost in that valuation process is because there has been no demand for such a system in that industry."

At trial, the dealer had testified that Mountain State Ford did not consider using any method other than replacement cost when it elected LIFO in 1980.

* * *

Query: Do any of these special circumstances involving this taxpayer's buy-out of Ford's ownership distinguish the result from the other dealers who never started out as "company-owned stores?" That would seem to be doubtful. Ford's standardized accounting and reporting systems require the use of replacement cost for valuing parts inventories on the financial statements that dealers submit to Ford...regardless of whether or not Ford has a stock ownership interest in the reporting dealership.

The Court's analyses raise more questions. *Has any dealer ever considered changing—or actually changed—from replacement cost to actual cost before electing LIFO?* Further: If a dealer were to make that change, wouldn't that change create an adjustment favorable to the taxpayer to the extent that the replacement cost valuation *exceeded* actual cost? In an inflationary period, the use of replacement cost accounting will typically overstate...not understate...the valuation of the ending inventory.

In other words, dealers using replacement cost for parts inventories have been **overpaying** their taxes all these years... all for the sake of simplicity and practicality. Shouldn't all these dealers be filing 3115s now? Why not give the Service what it's insisting on (i.e., an end to the use of replacement cost) and flood the National Office with 3115s? *



could have used invoice prices or actual cost in that valuation process.

The Court observed that the dealer had acknowledged that it was not impossible to use actual cost instead of replacement cost in valuing the parts inventory. In fact, the taxpayer's expert on computerized inventory-tracking systems admitted/explained that the reason why there is no inventory recordkeeping system currently available in the automobile and truck dealer industry that uses actual cost in that valuation process is because there has been no demand for such a system in that industry...not because it was necessarily *impossible* to do.

Query: Can a case be developed to demonstrate why there is no such demand, and would that case be compelling enough to convince a court? Are there any rational guidelines on this? To say that it is not possible...or that no one else has done it previously...would not be likely to be persuasive to a court. With computers today, isn't everything possible?

Query: How "difficult" or "costly" does the implementation of a procedure that is not impossible have to be ...before it will attain the status of resulting in "the imposition of an unreasonable administrative burden"?

WILL THIS CASE HAVE MUCH PRECEDENTIAL VALUE?

After holding against the taxpayer, Judge Chiechi (who also last year rendered the opinion in *Consolidated Manufacturing Co.* which destroyed that taxpayer's LIFO election) said:

"Assuming *arguendo* that Mountain State Ford had elected to use any other proper method under Section 1.472-8(e)(2)(ii)(d) ... in the Form 970 that it filed with its 1980 return, which we have found it did not, *petitioner has not persuaded us that the method which (it) used to determine that current-year cost, which was based on replacement cost and not actual cost, is a proper method that clearly reflects income under that regulation.*"

In elaborating on this, the Court said..."In using replacement cost to determine current-year cost...Mountain State Ford was not attempting to, and did not, determine or approximate the actual cost (i.e., the invoice price) of the parts that it purchased. It would have been sheer happenstance if the replacement cost that it used equaled or reasonably approximated such actual cost."

The use of replacement cost accounting for parts-type inventories in this specific situation was the subject of Letter Ruling 9433004 almost 5 years ago. See the September, 1994 *LIFO Lookout* for a

discussion of LTR 9433004. Now that Mountain State Ford Truck Sales, Inc. has had its (first) day in court, advisors are left on the horns of a dilemma. Is Mountain State simply an isolated case involving an inconsistent Form 970 and insufficient inventory records? As such, it would have little, if any, precedential value. Or, interpreted more broadly, does the case portend more severe implications for all other auto and truck dealers...and possibly even for other industries?

The previous section listed several questions related to whether actual cost could be determined and whether the burden involved might be unreasonable. In addition to those, the questions below are just a few of many.

1. Would the taxpayer, rather than the IRS, have prevailed if the Form 970 had been more accurately and artfully drafted? Is this just the consequence of another "scrivener's error"?

2. Might the result have been different if prior to its LIFO election, the taxpayer had not been operating under a management agreement with Ford Motor Company (who previously owned all of its stock)? In this regard, see "Why Didn't You Change to Actual Cost Before Electing LIFO?" on page 9.

3. Might the result have been different if fewer legal theories were debated and more information had been presented *on the record* involving facts, figures, turnover ratios and concerning to what degree the use of replacement cost might have approximated actual cost? As noted above, in one of its "assuming arguendo" discussions, the Court said that "petitioner has not persuaded us that the method" it used "is a proper method that clearly reflects income under that regulation." There was little, if any, information in the record to allow the Court to assess whether by such means as inventory turnover analysis and other accounting techniques, replacement cost could be accepted as representing a satisfactory approximation of cost related to purchase invoices.

While it may be too late for MSFTS to do so, is it possible that other parts-LIFO dealers may be able to persuade the IRS or the Court with appropriate information on the record?

4. In a note to its opinion (note 6), the Court stated: "The parties and their respective experts also disagree about whether Mountain State Ford's method of using replacement cost under the LIFO method complies with generally accepted accounting principles (GAAP) and conforms as nearly as may be to the best accounting practice in Mountain State Ford's trade or business, as required by Sec. 471 and the



regulations thereunder. However, our resolution of the disagreement between the parties about the clear-reflection-of-income standard makes it unnecessary for us to address the parties' and their respective experts' dispute over GAAP."

The dealer had conceded that if the Court were to find that its method of using replacement cost was in contravention of the requirements of Section 472(b)(2) and Reg. Sec. 1.472-8(e)(2)(ii), that method (i.e., replacement cost) would **not** clearly reflect income. Had the taxpayer not made that concession, would it have had a better chance of successfully defending its use of replacement cost? Everyone in the industry uses replacement cost...Is everyone wrong in using it?

5. In a less-than-perfect world, what are dealers to do now? Will the IRS issue an "Announcement" on the use of replacement cost à la *Hamilton*?

6. *Books & Records*: If the IRS' technical arguments against the taxpayer ultimately prevail, watch out.

If this case really comes down to the availability of "detailed inventory records" for parts inventories, then there's little hope in sight for many dealers. Everyone knows that practically all dealers will lose on this score because such detailed parts records, after not more than a few nano-seconds, usually become non-existent or are among the first to be thrown out (or "lost in the computer") whenever more space is needed to store the "really important stuff."

CLOSING THOUGHTS

Many CPAs and dealers will be pulling out their Forms 970 and supporting attachments to look closely at the exact wording submitted to the IRS when their LIFO elections for parts were made. What do the supporting statements concerning parts inventory valuation say? What should they say *in the future*?

We have always suggested the following wording which is intended to put the IRS on notice as to the LIFO sub-methods being employed and the taxpayer's reliance on the...(ii)(d)...**"other"** method" sub-election being made under Reg. Sec. 1.472-8(3)(2)(ii)(d) in connection with the parts inventory LIFO.

"Pursuant to accepted industry practice, cost of parts and accessories inventories is determined at year-end by reference to manufacturer current price lists in effect at year-end. As a result, the ending parts and accessories inventory is valued at higher replacement costs. This practice results in an overall valuation for parts and accessories inventories that

closely approximates, but usually is slightly in excess of, cost."

Clearly, *Mountain State Ford* was decided based on the record before the Court. However, the Court's holdings as to the use of replacement cost implicates all dealers—whether or not they are on LIFO for parts—because the use of replacement cost to value parts inventories has always been accepted industry practice...until now. Furthermore, the Court's reliance on the definition in Reg. Sec. 1.471-3 (which involves broader inventory aspects) to fix the basis for judging compliance with, or adherence to, the clear reflection of income standard will most likely prove troublesome to many other taxpayers in the future.

The IRS picked a fact pattern involving a less-than-stellar Form 970 to litigate, and it was able to continually refocus on the more narrow argument that the taxpayer didn't or couldn't establish that it was impossible to compute actual cost. The general acceptance of the industry-wide practice of using replacement cost and what that may suggest in the real world still needs to be reckoned with in a meaningful way. Until that is clarified, interpretations of *Mountain State Ford Truck Sales* will vary, and no one knows how far the IRS will (attempt to) push it as precedent.

If this decision really unnerves a dealer, and the LIFO reserves are so large that their loss would be virtually unbearable, that dealer may consider running—not walking—to the IRS with a request (Form 3115) to change from whatever method is being used to the Bureau of Labor Statistics (BLS), Published Price Index approach available under Reg. Sec. 1.472-8(e)(3). Accepting the PPI/CPI method—despite its several limitations—may be the best way—or the better part of valor—to preserve the LIFO reserves already built up. However, such a step must be taken before the taxpayer comes under audit. Once the IRS starts an audit, it is usually too late.

Hopefully, the taxpayer in this case will appeal the Tax Court's decision. If this case is not appealed (despite certain facts which could be better for the taxpayer, but aren't), it may be years—if ever—before another taxpayer comes along whose owners will have the courage and persistence to resist the IRS in a protracted and costly dispute over this industry-wide practice.

We can expect to hear more about this case in the future. See page 12 for more about the mechanics of *Mountain State Ford's* use of replacement cost. *



MORE ABOUT MOUNTAIN STATE FORD'S USE OF REPLACEMENT COST FOR PARTS INVENTORIES

TALE
OF THE
TAPE

In January 1968, Mr. O'Meara started operating Mountain State Ford Truck Sales (MSFTS) as a heavy truck dealer under a management agreement with Ford Motor Company, which owned all of its stock. As a heavy truck dealer, Mountain State Ford maintained an inventory of different types of heavy truck parts and accessories manufactured by Ford. Over the years, it also carried other manufacturers parts, some of which were present in 1968 and others of which were added later.

Mountain State Ford continued under the management agreement with Ford until around 1978, when family members bought out Ford's stock ownership.

When Mountain State Ford commenced business in 1968, the accounting methods that it adopted and the books and records it maintained were in accordance with the Ford standard system for Ford truck dealers. That system prescribed the way in which the parts inventory was to be maintained.

Throughout the period from its incorporation until 1978 when Ford no longer owned any stock of Mountain State Ford, Ford required that Mountain State Ford retain the professional services of an independent certified public accountant. That CPA was to conduct an annual audit, prepare financial statements, provide an unqualified opinion for those statements, prepare tax returns, and observe the taking of physical inventories.

During that same period, Ford required that Mountain State Ford's independent CPA value the parts inventory

- (1) for Ford parts on the basis of "the dealer net prices as incorporated in the latest dealer price lists published by Ford," and
- (2) for other manufacturers' parts on the basis of "the dealer net prices as incorporated in the latest dealer price lists published by the applicable manufacturer."

Every day Mountain State Ford had numerous transactions involving purchases, sales and returns of parts. The price that each manufacturer charged Mountain State Ford for each of the parts that it ordered was published in a price list or price catalog

(price catalog) that each such manufacturer distributed to its heavy truck dealer network.

On a periodic basis, each manufacturer updated its price catalog to reflect any changes in the prices of parts, and such updated price catalogs were also distributed throughout the heavy truck dealer network. During the period 1980 through 1991, Ford Motor Company distributed approximately four to six updated price catalogs each year.

Although the number of different types of parts that Mountain State Ford carried fluctuated, that number usually totaled about 12,000 out of approximately 17,000 potential different types of parts. For each part, Mountain State Ford could have carried as few as one unit or as many as several dozen units, each or several of which it acquired at different times and at different prices from different manufacturers.

The units of different types of parts in Mountain State Ford's inventory turned over at different rates. *While Mountain State Ford's parts inventory generally turned over every 3 or 4 months, some units of different types of parts were in its parts inventory for more than 12 months.*

Ford and all the other parts manufacturers assigned parts numbers to their parts. During any year, a manufacturer could have (1) changed a part number for a type of part without altering that type of part, or (2) added a new part number because it altered an existing type of part, or (3) occasionally developed a new type of part. From year to year, only 10 to 15 percent of the parts numbers for parts carried by Mountain State Ford changed. For the parts numbers that did change, Mountain State could have developed the corresponding parts numbers for the year prior to the change, but it did not do so.

While each different type of part that Mountain State Ford carried was assigned a part number, in most instances each unit of a particular type of part was not identified separately from every other unit of that same type of part. However, in some instances each unit of the same type of certain large parts, such as engines, transmissions, and rear axles, was identified not only by a part number, but also by a serial number.

→



Consistent with standard industry practice for heavy truck dealers, Mountain State Ford maintained an inventory of parts by using a computerized recordkeeping system which listed the quantity of units on hand of each of the different types of parts that it carried. Mountain State Ford maintained that system, which it referred to as its perpetual recordkeeping system, with the assistance of a company that provided computer services to businesses in the heavy truck dealer industry.

The manufacturers authorized several computer vendors to assist heavy truck dealers in the valuation of those dealers' parts inventories. Prior to 1994, Mountain State Ford utilized Ford's Dealer Computer Services Division. Beginning in 1994, Mountain State Ford used ADP, Inc., as its computer vendor.

In addition to advising Mountain State Ford and other heavy truck dealers of changes in the prices of its parts through the periodic distribution of updated price catalogs, each manufacturer provided the computer vendors with computer-ready mediums, such as magnetic tapes (computerized price update tapes), which reflected such price changes.

Under its perpetual inventory recordkeeping system, Mountain State Ford

- (1) added to its parts inventory the number of units of each type of part that were delivered and/or that were returned to it, and
- (2) removed from its parts inventory the number of units of each type of part that it sold.

When Mountain State Ford received the parts that it had ordered from a manufacturer, it also received a computer-ready medium, such as a magnetic tape (shipping tape), and packing sheets that included a packing slip. These packing slips did not contain any information showing the prices that the manufacturer was charging Mountain State Ford for those parts. Mountain State used the shipping tape to enter into its perpetual recordkeeping system the part number and the number of units of each type of part that the manufacturer shipped, or intended to ship, to it.

Packing sheets that accompanied each shipment of parts were used to verify that Mountain State Ford received the quantity of each type of part that was shown as shipped by the manufacturer to it. If after making a comparison, an employee determined the packing sheets were inaccurate, the employee would adjust the perpetual recordkeeping system to

reflect the quantity of units that had, in fact, been delivered to Mountain State.

At the end of each business day, Mountain State Ford transmitted to its computer vendor a record of the transactions that were effected on that day. The computer vendor computed a value for the quantity of units of each type of part

- (1) delivered to,
- (2) returned to, and/or
- (3) sold by Mountain State Ford on each business day.

The vendor computed that value by using the price which the manufacturer of each such type was charging on that day and which was reflected on the computerized price update tape that each manufacturer had provided to that vendor and in the updated price catalog that each manufacturer had distributed to Mountain State Ford and to all other heavy truck dealers.

Mountain State Ford generally received invoices from the manufacturer on a monthly basis. These invoices identified the number of parts that had been shipped, or that the manufacturer intended to ship. Each invoice showed the part number of each type of part, the quantity of units and the purchase price of each such unit.

Upon receipt of a manufacturer's invoice, an employee of Mountain State Ford would enter the total of the invoice prices (aggregate invoice price) of all the parts...but not the invoice price of each specific unit of each type of part...into an account which Mountain State Ford maintained for the parts that it purchased (i.e., the purchases account). Mountain State Ford did **not** utilize the purchases account in maintaining its inventory.

Mountain State Ford took a physical inventory in late September or early October, and in a couple of instances in early November, of each year. In conjunction with the taking of its physical inventory, Mountain State Ford adjusted the balance of the quantity of the units of each type of part reflected in its perpetual inventory recordkeeping system to reflect each such quantity physically on hand. After taking the physical inventory, Mountain State Ford notified the computer vendor of each such quantity that was physically on hand.

Consistent with standard industry practice in the heavy truck dealer industry, the computer vendor

see **MORE ABOUT MOUNTAIN STATE FORD AND ITS USE OF REPLACEMENT COST**, page 14



determined the value of Mountain State Ford's parts inventory as of the date of the physical inventory by computing a value for the quantity of units of each type of part physically on hand by using the price which the manufacturer was charging as of that date and which was reflected on the computerized price update tape that each manufacturer had provided to that vendor.

The replacement cost on which Mountain State Ford valued the parts in its parts inventory as of the date of the physical inventory was not necessarily the same as the invoice prices thereof.

In order to determine the value of its parts inventory at the end of each year (ending parts inventory), Mountain State Ford adjusted its parts inventory value at the time of its physical inventory for any deliveries and returns of parts to it and/or sales of parts by it between that time and the end of the year. Prior to electing LIFO in 1980, Mountain State Ford used the same ending parts inventory value determined by replacement cost for both financial statement and for Federal income tax purposes.

Mountain State Ford **did not use the invoice prices or the purchases account in maintaining its inventory** under its perpetual inventory recordkeeping system at any time during the entire period beginning with its incorporation through the date in 1978 on which Ford Motor Company no longer owned any stock in Mountain State Ford Truck Sales Inc.

The reason Mountain State Ford did not use the invoice prices was that, as discussed previously, Ford Motor Company required that Mountain State Ford's parts inventory be valued at replacement cost

(i.e., "the dealer net prices as incorporated in the latest dealer price lists published by Ford" or any other manufacturer.)

Nor did Mountain State Ford maintain inventory records which showed the invoice price that it paid for each unit of each type of part (1) delivered and/or returned to it and added to its parts inventory; and/or (2) sold by it and removed from that inventory. However, Mountain State Ford did maintain other records, such as accounts payable records and invoices, which listed the invoice price paid for each unit of each type of part delivered to it.

After 1978, when Ford Motor Company no longer owned any of its stock, Mountain State Ford could have used an engagement letter in employing a CPA to audit its financial statements and prepare its tax returns that was different from the letter that it had previously used when Ford owned stock of Mountain State Ford. Also, at that time, Mountain State Ford could have adopted accounting methods and/or procedures that were different from those which it employed when it was owned by Ford. Mountain State Ford could have changed its method of valuing its parts inventory on the basis of replacement cost, provided that it filed Form 3115 and sought and received the consent of the Internal Revenue Service before it made a change in that method of valuing its parts inventory.

As discussed on page 9, the Tax Court looked at the actions either taken or not taken by Mountain State Ford in this regard. See "After You Bought Out Ford, Why Didn't You Change To Actual Cost." *



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ARE USED VEHICLE LIFO CALCULATIONS TO BECOME MORE COMPLICATED? IRS NATIONAL OFFICE TELLS HOW USED VEHICLES SHOULD BE REPRICED

USED
VEHICLE
LIFO

In LTR 9853003, the National Office was asked to decide two issues involving a dealer who came under audit after requesting permission to make what on the surface seemed to be two simple LIFO pooling changes. Interestingly, neither of the two issues that came up during the audit involved changes that the dealer had requested on Form 3115.

The first issue was whether the dealer had correctly reconstructed the beginning-of-the-year cost in connection with its used vehicle LIFO inflation indexes. On this issue, the National Office held that the dealer could not use a short-cut method involving only one common reference date for computing beginning-of-the-year prices. The Service required the dealer to reprice each used vehicle in ending inventory by reference to the official used car guide covering (or corresponding to) the day 52 weeks prior to the exact date on which the dealer acquired that specific used vehicle.

To make matters worse or at least to complicate the repricing further the IRS said that in order to "clearly reflect income," the dealer must also take into consideration a vehicle of similar make, model, age, condition, mileage and options.

DUAL INDEX METHOD BOUNCED

The second issue to be decided was whether the dealer's dual index method for valuing increments computed for new and used vehicle LIFO pools clearly reflected income. The National Office held that the dealer's method did not clearly reflect income because it valued the increments based on prior-year costs, rather than current-year costs. Previous issues of the *LIFO Lookout* have dealt at length with the opposition of the IRS to the use of dual index methods in LIFO calculations. See June, 1996 and September, 1994, and September, 1993 issues of the *LIFO Lookout* for articles on the dual index and earliest acquisitions methods for valuing increments.

In applying its dual index approach, the dealer did not ascertain an earliest acquisitions cost for the used vehicles in ending inventory. Instead, the

dealer determined its current-year cost of each used vehicle acquired **by purchase** by reference to the actual purchase price, and it determined its current-year cost of each used vehicle acquired **in trade** by reference to the *Black Book* covering the day on which the vehicle was acquired. The dealer then computed an annual inflation index by repricing the items in its ending inventory at beginning-of-the-year cost and at current-year cost. From that point forward, the usual dollar-value, link-chain sequence of computations was followed, except for the last step which involved valuing an increment if there was one. If there was, the LIFO value of the increment was determined by multiplying that increment (expressed in base dollars) by the previous year's cumulative index.

Not surprisingly, the IRS objected to the "assumption" inherent in this process that a separately computed earliest acquisition index for the current year would be 1.000, from which it would follow that the separately computed current annual index of 1.000 multiplied by the cumulative index at the beginning-of-the-year would result mathematically in a year-end cumulative index equal to what it was at the beginning of the year.

In summarily rejecting the dealer's dual index method, the National Office said only that "acceptable methods of valuing LIFO increments are based on the current-year cost (not prior-year cost) of items" and that the dealer's "dual index method does not clearly reflect income because it values dollar-value LIFO increments based on prior-year costs rather than current-year costs." Discussion ended; case closed.

BACKGROUND FOR THE REPRICING ISSUE

As to the more significant repricing issue, a little background discussion is in order.

The dealer had originally elected LIFO only for new vehicles, and in a subsequent year the LIFO election was extended to used vehicles. In both cases, the dealer placed all the vehicles in a single

see ARE USED VEHICLE LIFO CALCULATIONS...?, page 16



pool, and employed the dual index method previously described.

In a subsequent year, the dealer filed Form 3115 requesting permission to split up each pool. The dealer wanted to change from using *two* dollar-value LIFO pools (one for new vehicles and one for used vehicles) to using *four* pools (one for new automobiles, one for new trucks, one for used automobiles, and one for used trucks). The Form 3115 requested no changes in the dual index method used for valuing increments or the manner/method in which the beginning-of-the-year costs were being reconstructed.

In response to the Form 3115, the National Office consented to the dealer's requested pooling changes, subject to certain relevant conditions:

...That the taxpayer "double extends" all items in its ending inventory pool(s) of new and used vehicles at the taxpayer's own current year-end cost and its own prior year-end cost; the resulting current-year index is linked back to the base year by multiplying it by the cumulative price index. ***The items used to compute the taxpayer's own prior-year cost and its own current-year cost shall be comparable (e.g., vehicles shall be comparable in terms of base vehicle model, options and accessories) in order for these indexes to clearly reflect income*** (emphasis in original);

...That the taxpayer computes its current-year index ***for used vehicles*** by extending each item (i.e., each vehicle) in the inventory pool at the close of the year at both the beginning-of-the-year cost and the current-year cost. The current-year costs of each item will be its acquisition cost as determined on the date of acquisition by reference to the actual transaction if a cash purchase, or by reference to the value indicated in an official used car guide on the date of acquisition if a trade-in.

The beginning-of-the-year cost must be the cost of the equivalent item in the prior years ending inventory. The beginning-of-the-year cost of the equivalent item is the cost of that particular vehicle's previous year's model. If the item was in existence at the beginning of the year but not stocked by the taxpayer, the taxpayer must establish, by using available data or records, what the cost of the item would have been to the taxpayer had the taxpayer stocked the item at the beginning of the year of change. If the available data includes an external

publication, such publication, if consistently available, must be consistently used. The principles of Reg. Sec. 1.472- 8(e)(2)(iii) must be used for used vehicles in ending inventory that were not in existence at the beginning of the year. (That is, the used vehicle would be treated as if it were a new vehicle for purposes of determining if it was in existence at the beginning of the year.)

...The permission granted in the IRS National Office's ruling letter, as well as the audit protection provided in Section 10.12 of Revenue Procedure 92-20, are limited to the specific change(s) in method requested concerning pooling, and such audit protection is not extended to the issue relating to the use of the dual index approach.

...The propriety of all computations incidental to the use of such pool or pools, including (but not limited to) those computations relative to the definition of a LIFO item of inventory, the definition and treatment of new items, and the use, accuracy, and reliability of the link-chain method, including the determination of current-year cost of items under Reg. Sec. 1.472-8(e)(2)(ii), remains subject to determination by the District Director in connection with the examination of the taxpayer's income tax returns.

...No final determination can be made by this office (i.e., the National Office) regarding the use, accuracy, and reliability of (the link-chain) method.

The dealer computed taxable income for the year of change using four LIFO pools for its new and used vehicle inventories, and it continued using its dual index method for pricing LIFO increments for all of its LIFO pools. In addition, the dealer continued treating each used vehicle in ending inventory as a new item. Enter the IRS, to audit the dealer's year of change, at which time the examining agent took the positions that (1) the dealer had incorrectly determined the beginning-of-the-year cost of new items in its used vehicle pools, and (2) the dealer's dual index method of valuing LIFO increments failed to "clearly reflect income."

Prior to filing Form 3115 to request permission to change its pooling, the dealer had been treating each used vehicle on hand at the end of the year as a new item. To the dealer, this seemed reasonable because the year-end inventories included used vehicles produced by a variety of manufacturers, and the ending inventory rarely contained used vehicles



that were similar to any used vehicles in the beginning inventory. Consequently, the dealer treated each used vehicle in ending inventory as a new item and reconstructed a beginning-of-the-year cost for that vehicle. The dealer assumed that, for each used vehicle in ending inventory, it had no similar item at the beginning of the year.

The dealer then reconstructed the beginning-of-the-year cost of each used vehicle by reference to an official used car guide, the *Black Book* effective for December 31 of the preceding calendar year, *even though December 31 was not the end of its taxable year.*

Using that edition of the *Black Book*, the dealer would ascertain the value of the previous year's model of that particular vehicle. To illustrate, assume that at the end of the 1996 taxable year, the dealer's used vehicle pool included a 1995 Chevrolet Corvette: the beginning-of-the-year cost of that vehicle would be determined by reference to the value of a 1994 Chevrolet Corvette (similar in options, mileage and condition) listed in the *Black Book* effective for December 31, 1995. (Note the possible slight difference possible for the valuation in a "*Black Book* effective for December 31, 1995" and that same vehicle listed in "*The December 1995 Black Book*".)

At the taxpayer's Conference of Right in the National Office, the dealer represented that its policy was to sell at auction any used vehicle after it has been on hand for 60 days. However, some vehicles might remain on hand for up to 90 days before they were sold at auction. Thus, according to the dealer, most used vehicles on hand at the end of the taxable year were acquired within the past 60 days. Also at that Conference, the dealer acknowledged that it had incorrectly been referring to the **December** *Black Book* to reconstruct the beginning-of-the-year cost of used vehicles. The dealer then stated that it should have been reconstructing the beginning-of-the-year cost of used vehicles by reference to the *Black Book* covering the last week of its prior taxable year.

To illustrate the change that the dealer was suggesting, assume the dealer in this ruling had a fiscal year ending September 30, 1996. That dealer would have repriced used vehicles in his ending inventory by comparing current cost at September 30, 1996 with beginning-of-the-year costs determined as of December 31, 1995/January 1, 1996 (an interval of nine months). At its Conference in the

National Office, the dealer said it should be allowed to use an interval of 12 calendar months (i.e., comparing current costs at September 30, 1996 with beginning-of-the-year costs determined as of September 30, 1995 / October 1, 1995).

The IRS agent who was auditing the dealer's tax return for the year of change one-upped the dealer's "new" contention. The agent took the position that the dealer should have been reconstructing (or repricing) the beginning-of-the-year cost of each used vehicle by reference to the *Black Book* covering the date 52 weeks prior to the date on which the dealer had acquired the vehicle that was in ending inventory. In other words, multiple *Black Books* would be required, possibly as many *Books* as there were different acquisition dates spread over different weeks.

NATIONAL OFFICE RATIONALE

In leading into its analysis of the repricing issue, the National Office referred to the Tax Court's comments in *Amity Leather Products Co. v. Commissioner*, 82 T.C. 726 (1984).

"The nature of "items" in a pool must be similar enough to allow a comparison between ending inventory and base-year inventory. Because the change in the price index and the index affects the computation of increments or decrements in the LIFO inventory, the definition and scope of an item are extremely important to the clear reflection of income. If factors other than inflation enter into the cost of inventory items, a reliable index cannot be computed. For example if a taxpayer's inventory experiences mix changes that result in the substitution of less expensive goods for more expensive goods, the treatment of those goods as a single item increases taxable income. This occurs because any inflation in the cost of an item is offset by the reduction in cost resulting from the shift to less expensive goods. Conversely, if changes in mix of the inventory result in the substitution of more expensive goods for less expensive goods, the treatment of those goods as a single item decreases taxable income because the increase in inventory costs is eliminated from the LIFO cost of the goods as if such cost increases represented inflation."

The National Office observed that dealers who elect LIFO for used vehicles ordinarily adopt a dollar-value, link-chain method and compute an annual inflation index for used vehicles by comparing the



cost of similar vehicles that were the same age at the beginning and at the end of the year. Since most used vehicles decline in value over time, a method that computes an inflation index by comparing the cost of a particular used vehicle at the beginning and end of a period will likely reflect deflation. Although vehicles of a particular model year may be declining in value, inflation in the cost of one or two year old used vehicles may force a dealer to increase its investment in used vehicles to continue the same inventory level. In order to measure the inflation represented in their used vehicle inventories, dealers compare the total cost of the used vehicle ending inventory to the total amount of what the previous year's model of each vehicle cost (or would have cost had it been present in the prior year's ending inventory.)

The National Office said that it believed that if the dealer reconstructs the beginning-of-the-year cost of new items using the *Black Book* covering the last day of its prior taxable year, the dealer would compute an annual inflation index that exceeds the actual inflation for a 12-month period. This would occur (according to the National Office) because the value of a used vehicle generally declines until the last day of the preceding year. When the cost of a used vehicle acquired 60 to 90 days prior to the end of the taxable year is compared to the value of the preceding year's model on the last day of the preceding taxable year, the resulting index overstates the inflation that has occurred during a 12-month period.

The National Office stated that the dealer's beginning-of-the-year cost reconstruction/repricing method would not produce a cumulative inflation index that reliably measures **quantity** increases or decreases in the used vehicle inventory pools. "When the annual index computed by (the dealer) is combined with the cumulative index and applied to the total current-year cost of the pool, the base-year cost of the pool is understated. An understatement in the quantity of the ending inventory will overstate the...cost of goods sold and distort taxable income."

The National Office observed that although the courts have not specifically addressed base-year or beginning-of-the-year cost reconstruction, the Tax Court has made it clear (in *Amity Leather* and in *Hamilton Industries, et al.*) that an accurate inflation index is critical to the clear reflection of income under the dollar-value LIFO method.

Accordingly, the National Office held that because the cost of used vehicles generally declines over time, the dealer's beginning-of-the-year cost reconstruction method for used vehicles produces an inaccurate inflation index and does not clearly reflect income. "To compute an accurate and reliable inflation index for its used vehicle pools, (the dealer) must reconstruct the beginning-of-the-year cost of each vehicle by reference to the value of the previous year's model of that particular vehicle listed in an official used car guide covering the day 52 weeks prior to the date the vehicle was actually acquired."

CONCLUSION

This *clear reflection of income* standard continues to be elusive for taxpayers in just about every situation, LIFO—or otherwise, that the IRS challenges. (For a most contemporary example of this, consider *Mountain State Ford Truck Sales*, just recently decided.)

Many CPAs do not make the exact one year matches to the date of acquisition in their used vehicle LIFO computations. It would seem that sooner or later this position of the IRS National Office in LTR 9853003 will have to be reckoned with.

In the meantime, requests for various changes in used vehicle LIFO procedures can be expected to come under closer scrutiny based on this stated guidance as to repricing/reconstruction exactitude.

Dealers will be complaining about how much more it will cost them—directly or indirectly—for LIFO repricing calculations that comply more closely with LTR 9853003. It also appears that CPAs should direct special attention to what may be divergent practices embedded in software they employ for used vehicle LIFO computations. *



NEW ITEM REPORT FOR 1998 CALENDAR YEAR DEALERS

1998-1999 MODELS IN DECEMBER, 1998 INVENTORIES

We are pleased to present our December 31, 1998 Year-End New Item Report showing our “unofficial” determinations of new items for all of the item categories under the Alternative LIFO Method for Automobile Dealers. This is drawn from our *SUPERLIFO 2000™* database which comprises the backbone of our Alternative LIFO Software Program. Unfortunately, we are again unable to compare our new items lists with a similar list compiled by the IRS.

Readers may find it more useful to see which makes and models have experienced a significant number of new items over a three-year period when this data is drawn from the same consistently compiled database. Accordingly, to place our 1998 Year-End New Item Report in some kind of perspective, we have again included our comparable Year-End New Item Reports for the last two years.

This will give you an idea of the extent of the changes *by make and by model* over the three-year period ending December 31, 1998. As we observed last year when presenting 1995-96-97 side-by-side, these comparative lists support some interesting conclusions. When viewed over an even longer comparative period, such as five years or all the way back to December 31, 1991, it becomes evident that frequent changes by some manufacturers render the Alternative LIFO Method decidedly less advantageous for some dealers. Just comparing the number of new items (relative to the possible total new items) by manufacturer each year begins to give you some idea of what we’re talking about.

In considering these lists, be aware that the status of some items included in our prior published lists may have been changed as a result of information subsequently made available for our analysis after the date when our New Item Report was originally published. Accordingly, the lists of prior year-end (1996 and 1997) new items show the comparative status based on all updates, some of which were not previously published in the *LIFO Lookout*. More background on certain or “unusual” new item category determinations can be found in the March, 1997 and March, 1998 issues of the *LIFO Lookout*.

OBSERVATIONS ON THESE SIDE-BY-SIDE NEW ITEM DETERMINATIONS

- **FIRST**, although fiscal year dealerships are looking at slightly different “slices” or time frames of reference, all dealerships should be experiencing the frequency of comparable new item treatment—with only the year in which the item category is new being off slightly from the corresponding calendar year.
- **SECOND**, in drafting the original Alternative LIFO Revenue Procedure (92-79), the IRS anticipated that over a number of years, there would be a certain “turnover” of item categories, resulting in new items appearing sooner or later. Accordingly, any auto dealership's LIFO computations over a period of years should be reflecting the presence of new items based on the specialized rules (below) which define a “new item.”
- **THIRD**, as mentioned above, some manufacturers and makes reflect a much higher incidence of new items than others. For these, the benefits of the Alternative LIFO Method may be comparatively less attractive ... but that by no means renders them unattractive per se.

(continued)



DEFINITION OF A "NEW ITEM"

Section 4.02(5) of Revenue Procedure 97-36 contains the language and rules for determining whether or not an item category is *new*. A *new* item category is defined as an item category not considered to be in existence in the prior taxable year. Under Rev. Proc. 97-36, a new item category results from any one of the following:

- Any new or reassigned manufacturer's model code that was caused by a change in an existing vehicle,
- A manufacturer's model code created or reassigned because the classified vehicle did not previously exist, or
- If there is no change in a manufacturer's model code, but there has been a change to the platform (i.e., the piece of metal at the bottom of the chassis that determines the length and width of the vehicle and the structural set-up of the vehicle) that results in a change in track width or wheel base, whether or not the same model name was previously used by the manufacturer, a new item category is created.

DIFFERENCES BETWEEN NEW ITEMS LISTS

Eventually, the Office of the IRS Motor Vehicle Specialist will release its "unofficial" New Items List for calendar year-end 1998. We would expect there to be some differences between our respective Lists. In the past, differences between entries on our respective New Items Lists usually were explained by one of these reasons:

- Minor variations in the item category breakdowns. This includes the method of listing automatic and 5-speed item categories with the same base price or the extent of recording regionally specific market or value-priced editions ... (such as California, Washington, Oregon, Idaho, Massachusetts and New York special values and General Motors' Consumer Marketing Initiative/CMI).
- Differences in information available at release dates: In some cases, the IRS did not include certain year models introduced after January 1. On our lists, where appropriate, we included these models as new items.
- Interpretation of "new item" definition language in Section 4.02(5) basically in situations involving only model code changes and/or engine changes. One of the major differences between our lists and those of the IRS related to engine changes: The IRS consistently has treated any engine change as automatically resulting in a new item ... whereas we did not (unless one of the other specified rules came into play).

NEW ITEM: WHAT DIFFERENCE DOES IT MAKE?

New item categories under the Alternative LIFO Method are required to be included in the annual inflation index computation at a 1.000 factor. This is accomplished by using the end-of-the-year base cost as the beginning-of-the-year base cost. Since any number divided by itself equals 1.000, a new item contributes no inflation to the annual index. However, the addition of the same dollar amount to both the numerator and (to) the denominator of the same fraction reduces the overall result (i.e., it depresses the index computed) in the LIFO computations for an overall inflationary year. The exact opposite occurs in an overall deflationary year ... i.e., new item treatment will result in a relatively "higher" inflation index for the year.



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LIFO LOOKOUT

1999

NEW ITEM REPORT

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NEW ITEM CATEGORIES FOR NEW AUTOMOBILES UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS REVENUE PROCEDURES 97-36 & 92-79 W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996												AUTOS	
												PAGE 1 OF 9	
DECEMBER 31, 1998				DECEMBER 31, 1997				DECEMBER 31, 1996					
MAKE				MAKE				MAKE					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE		
ACURA				ACURA				ACURA					
CL	2-DR COUPE 2.3 5-SP	ACURA	YA315	NSX	2-DR COUPE 5-SP	ACURA	NA213	CL	2-DR COUPE 2.2 5-SP	ACURA	YA114		
	2-DR COUPE 2.3 AUTO	ACURA	YA325		2-DR COUPE AUTO	ACURA	NA123		2-DR COUPE 2.2 5-SP W/PREM PKG	ACURA	YA115		
	2-DR COUPE 3.0 AUTO	ACURA	YA225	NSX-T	2-DR COUPE 5-SP	ACURA	NA216		2-DR COUPE 2.2 AUTO	ACURA	YA124		
RL	4-DR SEDAN	ACURA	KA965		2-DR COUPE AUTO	ACURA	NA126		2-DR COUPE 2.2 AUTO W/PREM PKG	ACURA	YA125		
	4-DR SEDAN W/NAV PKG	ACURA	KA966	RL	4-DR SEDAN W/NAV PKG	ACURA	KA967		2-DR COUPE 3.0 AUTO	ACURA	YA224		
TL	4-DR SEDAN 3.2 AUTO	ACURA	UA564					RL	2-DR COUPE 3.0 AUTO W/PREM PKG	ACURA	YA225		
	4-DR SEDAN 3.2 AUTO W/NAV SYS	ACURA	UA565						4-DR SEDAN 3.5	ACURA	KA964		
									4-DR SEDAN 3.5 W/PREM PKG	ACURA	KA965		
									4-DR SEDAN 3.5 W/PREM PKG & NAV SY	ACURA	KA966		
AUDI				AUDI				AUDI					
A4 SERIES	4-DR WGN AVANT QUATTRO 1.8T 5-SP	AUDI	8D5515	A4 SERIES	4-DR WAGON AVANT 5-SP	AUDI	8D55VK	A4 SERIES	4-DR SEDAN 1.8L 5-SP	AUDI	8D2514		
	4-DR WGN AVANT QUATTRO 1.8T AUTO	AUDI	8D551Z		4-DR WAGON AVANT QUATTRO 5-SP	AUDI	8D55V5		4-DR SEDAN 1.8L AUTO	AUDI	8D251A		
A6 SERIES	4-DR WGN AVANT QUATTRO AUTO	AUDI	4B54VZ		4-DR WAGON AVANT QUATTRO AUTO	AUDI	8D55VZ		4-DR SEDAN 1.8L QUATTRO 5-SP	AUDI	8D2515		
				A6 SERIES	4-DR SEDAN AUTO	AUDI	4B24VA	A8 SERIES	4-DR SEDAN 1.8L QUATTRO AUTO	AUDI	8D251B		
					4-DR SEDAN QUATTRO AUTO	AUDI	4B24VB		4-DR SEDAN AUTO	AUDI	4D22UI		
					4-DR WAGON AUTO	AUDI	4A53U8		4-DR SEDAN QUATTRO AUTO	AUDI	4D228J		
BMW				BMW				BMW					
3 SERIES	323i 4-DR SEDAN 5-SP	BMW	44	3 SERIES	323iC 2-DR CONVERTIBLE 5-SP	BMW	41	3 SERIES	M3 4-DR SEDAN 5-SP	BMW	22		
	323iA 4-DR SEDAN AUTO	BMW	49		323iCA 2-DR CONVERTIBLE AUTO	BMW	46		M3 4-DR SEDAN AUTO	BMW	27		
	328i 4-DR SEDAN 5-SP	BMW	42		323iS 2-DR COUPE 5-SP	BMW	34	5 SERIES	528i 4-DR SEDAN 5-SP	BMW	50		
	328iA 4-DR SEDAN AUTO	BMW	47		323iSA 2-DR COUPE AUTO	BMW	39		528iA 4-DR SEDAN AUTO	BMW	55		
	M3 2-DR CONVERTIBLE	BMW	37						540i 4-DR SEDAN	BMW	53		
5 SERIES	528iT SPORT WAGON	BMW	54						540iA 4-DR SEDAN	BMW	58		
	528iTA SPORT WAGON AUTO	BMW	59					7 SERIES	740i 4-DR SEDAN	BMW	74		
	540iTA SPORT WAGON	BMW	69						2-DR ROADSTER 1.9L 5-SP	BMW	23		
Z3	2-DR COUPE 2.8L 5-SP	BMW	29						2-DR ROADSTER 2.8L 5-SP	BMW	28		
	2-DR COUPE M	BMW	26										
	2-DR ROADSTER 2.3L 5-SP	BMW	23										
	2-DR ROADSTER M	BMW	24										



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES
 UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS
 REVENUE PROCEDURES 97-36 & 92-79
 W/RT NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996**

AUTOS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
BUICK			BUICK			BUICK		
			CENTURY			CENTURY		
			4-DR SEDAN CUSTOM 1SG CWOI		S69 1SG	4-DR SEDAN CUSTOM		S69
			4-DR SEDAN LIMITED 1SH CWOI		Y69 1SH	4-DR SEDAN LIMITED		Y69
			LESABRE			PARK AVENUE		
			4-DR SEDAN CUSTOM 1SG CWOI		P69 1SG	4-DR SEDAN		W69
			4-DR SEDAN LIMITED 1SG CWOI		R69 1SG	4-DR SEDAN ULTRA		U69
			PARK AVENUE			REGAL		
			4-DR SEDAN 1SG CWOI		W69 1SG	4-DR SEDAN GOLD		B19 GOLD
			4-DR SEDAN 1SH CWOI		W69 1SH			
			REGAL					
			4-DR SEDAN GS		F69			
			4-DR SEDAN GS 1SH CWOI		F69 1SH			
			4-DR SEDAN LS		B69			
			4-DR SEDAN LS 1SG CWOI		B69 1SG			
			RIVIERA					
			2-DR COUPE 1SG CWOI		D07 1SG			
CADILLAC			CADILLAC			CADILLAC		
DE VILLE			SEVILLE			CATERA		
4-DR SEDAN GOLDEN ANNIV ED		6KD69 ANN	4-DR SEDAN SLS		6KS69	4-DR SEDAN W/CLOTH		6VR69 C
			4-DR SEDAN STS		6KY69	4-DR SEDAN W/LEATHER		6VR69 L
						DE VILLE		
						4-DR D'ELEGANCE		6KE69
CHEVROLET / GEO			CHEVROLET / GEO			CHEVROLET / GEO		
CORVETTE			CAMARO			CAVALIER		
2-DR HARDTOP		1YY37	2-DR COUPE CWOI		1FP87 CWOI	2-DR COUPE 1SB AUTO CVC		1JC37 1SB
			CAVALIER			2-DR COUPE RS		1JC37 RS
			2-DR CONVERTIBLE Z24		1JF67	4-DR SEDAN 1SF AUTO CVC		1JC69 1SF
			2-DR COUPE R8L CWOI		1JC37 R8L			
			4-DR SEDAN R8L CWOI		1JC69 R8L	LUMINA		
			CORVETTE			4-DR SEDAN LTZ		1WN69
			2-DR CONVERTIBLE COUPE		1YY67	MALIBU		
			2-DR COUPE		1YY07	4-DR SEDAN		1ND69
			LUMINA			4-DR SEDAN LS		1NE69
			4-DR SEDAN LTZ R8L CWOI		1WN69 R8L	MONTE CARLO		
			MALIBU			2-DR COUPE LS R8L SVC		1WW27 R8L
			4-DR SEDAN LS CWOI		1NE69 CWOI			
			METRO					
			3-DR H/B COUPE CWOI		1MR08 CWOI			
			4-DR SEDAN LSI CWOI		1MR69 CWOI			
			MONTE CARLO					
			2-DR COUPE Z34 R8L CWOI		1WX27 CWOI			
			PRIZM					
			4-DR SEDAN		1SK19			
			4-DR SEDAN		1SK19 1SB			
			4-DR SEDAN CWOI		1SK19 CWOI			
			4-DR SEDAN LSI		1SK19 LSI			
CHRYSLER			CHRYSLER			CHRYSLER		
300M			CIRRUS					
4-DR SEDAN		LHYS41	4-DR SEDAN LXI		JACP41			
LHS			CONCORDE					
4-DR SEDAN		LHCP41	4-DR SEDAN LX		LHCH41			



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**AUTOS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
DODGE				DODGE				DODGE			
				INTREPID				VIPER			
				4-DR SEDAN			LHDH41	2 SEAT COUPE GTS			SRDS29
				4-DR SEDAN ES			LHDP41				
				NEON							
				2-DR COUPE COMPETITION			PLDL22				
				4-DR SEDAN COMPETITION			PLDL42				
				VIPER							
				2 SEAT RT/10 ROADSTER			SRD27				
EAGLE				EAGLE				EAGLE			
								TALON			
								3-DR L/B FWD			FJXL24
FERRARI				FERRARI				FERRARI			
F355				F355				456GT			
2-DR SPIDER CONVERTIBLE FSP			F355 FSP	2-DR COUPE B CHALLENGE			F355 CH	2+2 COUPE GT MANUAL			456 GT
								2+2 COUPE GTA AUTO			456 GTA
								550 MARANELLO			
								2-DR COUPE			550M
								F355			
								2-DR SPIDER CONVERTIBLE			F355 S
								2-DR TB COUPE			F355 TB
								2-DR TS TARGA LIFT-ROOF			F355 TS
FORD				FORD				FORD			
				CONTOUR				CONTOUR			
				4-DR SEDAN SVT			P68	4-DR SEDAN BASE			P65
				CROWN VICTORIA				ESCORT			
				4-DR SEDAN			P73	4-DR SEDAN			P10
				4-DR SEDAN - FLEET			P72	4-DR SEDAN LX			P13
				4-DR SEDAN LX			P74	4-DR WAGON LX			P15
				4-DR SEDAN POLICE INTERCEPTOR			P71	TAURUS			
				ESCORT				4-DR SEDAN G			P51
				2-DR COOL COUPE ZX2			P11 CC	4-DR SEDAN SHO			P54
				2-DR HOT COUPE ZX2			P11 HC				
HONDA				HONDA				HONDA			
ACCORD				ACCORD				ACCORD			
2-DR COUPE ULEV LX AUTO			CG326	2-DR COUPE EX 3.0 AUTO			CG225	2-DR COUPE SPECIAL EDITION			CD720
4-DR SEDAN ULEV LX AUTO			CG665	2-DR COUPE EX 5-SP			CG315	4-DR SEDAN SPECIAL EDITION			CD560
4-DR SEDAN ULEV LX AUTO W/ABS			CG665 ABS	2-DR COUPE EX 5-SP W/LEATHER			CG315 L	4-DR SEDAN VALUE PKG. AUTO			CD569
CIVIC				2-DR COUPE EX AUTO			CG325	CIVIC			
4-DR SEDAN VALUE PACKAGE AUTO			EJ661	2-DR COUPE EX AUTO W/LEATHER			CG325 L	2-DR COUPE HX CVT			EJ722
				2-DR COUPE LX 3.0 AUTO			CG224	DEL SOL			
				2-DR COUPE LX 5-SP			CG314	2-DR COUPE S 5-SP			EH614
				2-DR COUPE LX AUTO			CG324	2-DR COUPE S AUTO			EH624
				2-DR COUPE ULEV EX AUTO			CG327	2-DR COUPE SI 5-SP			EH616
				2-DR COUPE ULEV EX AUTO W/LEATHER			CG327 L	2-DR COUPE SI AUTO			EH626
				4-DR SEDAN 3.0 LX AUTO			CG164	2-DR COUPE VTEC 5-SP			EG217
				4-DR SEDAN DX 5-SP			CF854	PRELUDE			
				4-DR SEDAN DX AUTO			CF864	2-DR COUPE 5-SP			BB614
				4-DR SEDAN EX 5-SP			CG555	2-DR COUPE AUTO			BB624
				4-DR SEDAN EX 5-SP W/LEATHER			CG555 L	2-DR COUPE TYPE SH 5-SP			BB615
				4-DR SEDAN EX AUTO			CG565				
				4-DR SEDAN EX AUTO W/LEATHER			CG165 L				
				4-DR SEDAN EX AUTO W/LEATHER			CG565 L				
				4-DR SEDAN LX 5-SP			CG554				
				4-DR SEDAN LX AUTO			CG564				
				4-DR SEDAN LX AUTO W/ABS			CG564 ABS				
				4-DR SEDAN ULEV EX AUTO			CG667				
				4-DR SEDAN ULEV EX AUTO W/LEATHER			CG667 L				



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**AUTOS
 PAGE 4 OF 9**

DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
HYUNDAI			HYUNDAI			HYUNDAI		
SONATA			ACCENT			ACCENT		
4-DR SEDAN 5-SP		23403	3-DR HATCHBACK GSI 5-SP		12343	3-DR HATCHBACK GS 5-SP		12333
4-DR SEDAN AUTO		23402	3-DR HATCHBACK GSI AUTO		12342	3-DR HATCHBACK GS AUTO		12332
4-DR SEDAN GLS V6 5-SP		23453				3-DR HATCHBACK GT 5-SP		12353
4-DR SEDAN GLS V6 AUTO		23452				3-DR HATCHBACK GT AUTO		12352
						4-DR SEDAN GL 5-SP		12423
						4-DR SEDAN GL AUTO		12422
						ELANTRA		
						4-DR SEDAN 5-SP		41423
						4-DR SEDAN AUTO		41422
						4-DR SEDAN GLS 5-SP		41443
						4-DR SEDAN GLS AUTO		41442
						4-DR WAGON 5-SP		41523
						4-DR WAGON AUTO		41522
						4-DR WAGON GLS AUTO		41542
						TIBURON		
						2-DR HATCHBACK 5-SP		51323
						2-DR HATCHBACK AUTO		51322
						2-DR HATCHBACK FX 5-SP		51343
						2-DR HATCHBACK FX AUTO		51342
INFINITI			INFINITI			INFINITI		
Q20			Q45			J30		
4-DR SEDAN 5-SP		9205	4-DR SEDAN		9431	4-DR SEDAN		9751
4-DR SEDAN AUTO		9201	4-DR SEDAN TOURING		9481			
4-DR TOURING SEDAN 5-SP		9275				Q45		
4-DR TOURING SEDAN AUTO		9271				4-DR SEDAN AUTO		9421
						4-DR TOURING SEDAN AUTO		9471
Q45								
4-DR SEDAN TOURING W/COMMUN		9491						
4-DR SEDAN W/ COMMUN		9441						
JAGUAR			JAGUAR			JAGUAR		
			XJ8			XJ		
			4-DR SEDAN		XJ8	4-DR SEDAN XJ6L		XJ6L
			4-DR SEDAN L		XJ8L			
			4-DR SEDAN VANDEN PLAS		XJVDP	XK8		
			4-DR SEDAN XJR		XJR	2-DR CONVERTIBLE		XK8 CON
						2-DR COUPE		XK8 CPE
KIA			KIA			KIA		
			SEPHIA			SEPHIA		
			4-DR SEDAN LS AUTO W/PWR PKG		14242	4-DR SEDAN LS 1.6 5-SP CA		12221
			4-DR SEDAN AUTO		14202			
			4-DR SEDAN LS 5-SP		14221			
			4-DR SEDAN LS 5-SP W/PWR PKG		14241			
			4-DR SEDAN LS AUTO		14222			
			4-DR SEDAN RS 5-SP		14201			
LEXUS			LEXUS			LEXUS		
			GS 300 SEDAN			ES 300 SEDAN		
			4-DR LUXURY SPORT AUTO		9300	4-DR SPORT AUTO		9000
			4-DR LUXURY SPORT AUTO CA/NY		9310	4-DR SPORT AUTO CA/NY		9010
			GS 400 SEDAN					
			4-DR LUXURY SPORT AUTO		9320			
			4-DR LUXURY SPORT AUTO CA/NY		9330			



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES
 UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS
 REVENUE PROCEDURES 97-36 & 92-79
 W/RT NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996**

DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
LINCOLN			LINCOLN			LINCOLN					
				TOWN CAR				CONTINENTAL			
				4-DR CARTIER			M83	4-DR SEDAN CALIF EDITION			M97 CMNY
				4-DR CARTIER CMNYC			M83 CMNYC	MARK VIII			
				4-DR EXECUTIVE			M81	2-DR COUPE LSC			M92
				4-DR EXECUTIVE CMNYC			M81 CMNYC	2-DR COUPE LSC CALIF EDITION			M92 CA
				4-DR SIGNATURE			M82	TOWN CAR			
				4-DR SIGNATURE CMNYC			M82 CMNYC	4-DR CARTIER CALIF EDITION			M83 CMNY
								4-DR EXECUTIVE CALIF EDITION			M81 CMNY
								4-DR SIGNATURE CALIF EDITION			M82 CMNY
MAZDA			MAZDA			MAZDA					
626				626				MX-6			
4-DR SEDAN ES AUTO			626ES AUTO	4-DR SEDAN DX 5-SP			626DX	2-DR M-EDITION			MX6 M-ED
MX-5 MIATA				4-DR SEDAN ES V8 5-SP			626ES				
2-DR CONVERTIBLE 5-SP			MIA	4-DR SEDAN LX 5-SP			626LX				
PROTEGE				4-DR SEDAN LX V6 5-SP			626LX V6				
4-DR SEDAN DX			PRODX	MX-5 MIATA							
4-DR SEDAN ES			PROES	2-DR CONVERTIBLE STO-ED			NA35 STO				
4-DR SEDAN LX			PROLX								
MERCEDES			MERCEDES			MERCEDES					
C CLASS				CLK				C CLASS			
C43 4-DR SEDAN AUTO			C43	CLK320 2-DR COUPE AUTO			CLK320	C230 4-DR SEDAN AUTO			C230W
CLK				E CLASS				E CLASS			
CLK320 2-DR CABRIOLET AUTO			CLK320 A	4-DR SEDAN AUTO			E430	E420 4-DR SEDAN AUTO			E420W
CLK430 2-DR COUPE AUTO			CLK430	E320 4-DR SEDAN AUTO AWD			E320W A				
SLK				E320 STATION WAGON AUTO			E320S				
SLK230 2-DR COUPE/ROAD KOMP 5-SP			SLK230	E320 STATION WAGON AUTO AWD			E320S A				
MERCURY			MERCURY			MERCURY					
COUGAR				GRAND MARQUIS				MYSTIQUE			
2-DR COUPE I-4			T60	4-DR SEDAN GS			M74	4-DR SEDAN BASE			M65 BASE
2-DR COUPE V-6 5-SP			T61	4-DR SEDAN LS			M75	SABLE			
				4-DR SEDAN GS CA			M74 CA	4-DR SEDAN G			M51
				4-DR SEDAN LS CA			M75 CA	TRACER			
				SABLE				4-DR SEDAN GS			M10 GS
				4-DR SEDAN LS CA			M53 CA	4-DR SEDAN LS			M13 LS
				4-DR WAGON LS CA			M58 CA	4-DR WAGON LS			M15 LS
MITSUBISHI			MITSUBISHI			MITSUBISHI					
3000GT				DIAMANTE				DIAMANTE			
3-DR SPORT COUPE VR-4			GT24-T	4-DR SEDAN ES AUTO			DM42-B	4-DR SEDAN LS AUTO			DM42-U
GALANT				GALANT				ECLIPSE			
4-DR SEDAN DE AUTO			GA41-B AUTO	4-DR SEDAN ES 5-SP			GA41-G 5-SP	2-DR SPYDER GS CONVERT. 5-SP			EC28-S 5M
4-DR SEDAN ES AUTO			GA41-G AUTO					2-DR SPYDER GS CONVERT. AUTO			EC28-S A
4-DR SEDAN ES V-6 AUTO			GA41-K AUTO					2-DR SPYDER GS-T CONVERT. 5-SP			EC28-T 5M
4-DR SEDAN GTZ V-6 AUTO			GA41-P AUTO					2-DR SPYDER GS-T CONVERT. AUTO			EC28-T A
4-DR SEDAN LS V-6 AUTO			GA41-X AUTO					3-DR COUPE BASE 5-SP			EC24-L 5M
								3-DR COUPE BASE AUTO			EC24-L A
								GALANT			
								4-DR SEDAN DE 5-SP			GA41-N 5M
								4-DR SEDAN DE AUTO			GA41-N A
								MIRAGE			
								2-DR COUPE DE 5-SP			MG21-E 5M
								2-DR COUPE DE AUTO			MG21-E A
								2-DR COUPE LS 5-SP			MG21-M 5M
								2-DR COUPE LS AUTO			MG21-M A
								4-DR SEDAN DE 5-SP			MG41-L 5M
								4-DR SEDAN DE AUTO			MG41-L A
								4-DR SEDAN LS 5-SP			MG41-M 5M
								4-DR SEDAN LS AUTO			MG41-M A



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES
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**AUTOS
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W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996

DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
NISSAN			NISSAN			NISSAN		
			240SX					
			2-DR COUPE LE 5-SP		2635			
			2-DR COUPE LE AUTO		2631			
			ALTIMA					
			4-DR SEDAN GLE AUTO		0581			
			4-DR SEDAN GXE 5-SP		0575			
			4-DR SEDAN GXE AUTO		0571			
			4-DR SEDAN SE 5-SP		0595			
			4-DR SEDAN SE AUTO		0591			
			4-DR SEDAN XE 5-SP		0565			
			4-DR SEDAN XE AUTO		0561			
			SENTRA					
			4-DR SEDAN SE 5-SP		4245			
			4-DR SEDAN SE AUTO		4241			
OLDSMOBILE			OLDSMOBILE			OLDSMOBILE		
ALERO			INTRIGUE			ACHIEVA		
2-DR COUPE GL		3NL37	4-DR SEDAN		3WH69	2-DR COUPE SC - SERIES I CWOI		L37 R7A-R
2-DR COUPE GLS		3NF37	4-DR SEDAN GL		3WS69	2-DR COUPE SC - SERIES II CWOI		L37 R7B-R
2-DR COUPE GX		3NK37				4-DR SEDAN SL - SERIES I		L69 R7A
4-DR SEDAN GL		3NL69				4-DR SEDAN SL - SERIES I CWOI		L69 R7A-R
4-DR SEDAN GLS		3NF69				4-DR SEDAN SL - SERIES II CWOI		L69 R7B-R
4-DR SEDAN GX		3NK69						
EIGHTY EIGHT						AURORA		
4-DR SEDAN 50TH ANNIV ED		3HC69				4-DR SEDAN REGIONAL CWOI		R69 R7A-R
INTRIGUE						CUTLASS		
4-DR SEDAN GLS		3WX69				4-DR SEDAN		B69 R7A
						4-DR SEDAN GLS		G69 R7C
						CUTLASS SUPREME		
						2-DR COUPE SL - SERIES I CWOI		H47 R7A-R
						2-DR COUPE SL - SERIES II CWOI		H47 R7B-R
						2-DR COUPE SL - SERIES III CWOI		H47 R7C-R
						4-DR SEDAN SL - SERIES I CWOI		H69 R7A-R
						4-DR SEDAN SL - SERIES II CWOI		H69 R7B-R
						4-DR SEDAN SL - SERIES III CWOI		H69 R7C-R
						EIGHTY EIGHT		
						4-DR SEDAN LS REGIONAL CWOI		N69 R7B-R
						4-DR SEDAN REGIONAL CWOI		N69 R7A-R
						LSS		
						4-DR SEDAN REGIONAL CWOI		Y69 R7C-R
						REGENCY		
						4-DR SEDAN		C69 R7D
						4-DR SEDAN REGIONAL CWOI		C69 R7D-R
PLYMOUTH			PLYMOUTH			PLYMOUTH		
PROWLER			NEON			BREEZE		
2-SEAT ROADSTER		PRPS27	2-DR COUPE COMPETITION		PLPL22	4-DR SEDAN		JAPH41
			4-DR SEDAN COMPETITION		PLPL42			
			PROWLER					
			2-SEAT ROADSTER		PRPS27			
PONTIAC			PONTIAC			PONTIAC		
GRAND AM			BONNEVILLE			FIREBIRD		
2-DR COUPE GT		2NW37	4-DR SEDAN 1SH CWOI		2HX69 1SH	2-DR CONVERTIBLE 1SG CMI		S67 1SG
2-DR COUPE GT1		2NW37 GT1	4-DR SEDAN SSE 1SG CWOI		2HZ69 1SG	GRAND PRIX		
2-DR COUPE SE		2NE37				2-DR COUPE GT		P37
2-DR COUPE SE1		2NE37 SE1				4-DR SE SEDAN 1SG CALIF. V.P.		J69 1SG
2-DR COUPE SE2		2NE37 SE2				4-DR SEDAN GT		P69
4-DR SEDAN GT		2NW69				4-DR SEDAN SE		J69
4-DR SEDAN GT1		2NW69 GT1						
4-DR SEDAN SE		2NE69	GRAND AM					
4-DR SEDAN SE1		2NE69 SE1	2-DR COUPE GT 1SH CWOI		2NW37 1SH			
			2-DR COUPE SE 1SH CWOI		2NE37 1SH			
			4-DR SEDAN GT 1SH CWOI		2NW69 1SH			



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES
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REVENUE PROCEDURES 97-36 & 92-79**

W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996

DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
SUBARU			SUBARU			SUBARU		
LEGACY (continued)			LEGACY			LEGACY		
4-DR SDN SU AWD 30 ANN AUTO		AJ				4-DR SEDAN GT AWD 5-SP		AD
4-DR SDN SU AWD 30 ANN LTD AUTO		AK				4-DR SEDAN GT AWD AUTO		AE
4-DR SEDAN L AWD 30 ANN 5-SP		AA				5-DR WAGON GT AWD 5-SP		BF
4-DR SEDAN L AWD 30 ANN AUTO		AB				5-DR WAGON OUTBACK LTD AWD 5M		BY
4-DR WGN L AWD 30 ANN 5-SP		BC	4-DR SEDAN GT LTD AWD AUTO		AG	5-DR WAGON OUTBACK LTD AWD A		BZ
4-DR WGN L AWD 30 ANN AUTO		BD	4-DR WGN OUTBACK LTD AWD W/DUAL		BZ	5-DR WAGON POSTAL R-H DR AWD A		BJ
4-DR WGN OUTBACK LTD ANN 5-SP		DX						
4-DR WGN OUTBACK LTD ANN AUTO		DY						
4-DR WGN SSV AWD AUTO		BS						
4-DR WGN OUTBACK LTD ANN								
W/DUAL SR AUTO		DZ						
4-DR WGN OUTBACK LTD AWD								
30 ANN 5-SP		BX						
4-DR WGN OUTBACK LTD AWD								
30 ANN AUTO		BY						
4-DR WGN OUTBACK LTD AWD								
W/MR 30 ANN AUTO		BZ						
SUZUKI			SUZUKI			SUZUKI		
			ESTEEM					
			4-DR WAGON GL 5-SP		WGN632			
			4-DR WAGON GL AUTO		WGN642			
			4-DR WAGON GLX 5-SP		WGN63E			
			4-DR WAGON GLX AUTO		WGN64E			
			4-DR WAGON GLX PLUS AUTO		WGN64F			
TOYOTA			TOYOTA			TOYOTA		
CAMRY			COROLLA			CAMRY		
2-DR COUPE SOLARA 4CYL SE 5-SP		2731	4-DR SEDAN CE 5-SP		1721	4-DR SEDAN CE 5-SP		2525
2-DR COUPE SOLARA 4CYL SE AUTO		2732	4-DR SEDAN CE AUTO		1722	4-DR SEDAN CE AUTO		2526
2-DR COUPE SOLARA V6 SE 5-SP		2733	4-DR SEDAN LE 5-SP		1737	4-DR SEDAN CE V6 5-SP		2527
2-DR COUPE SOLARA V6 SE AUTO		2734	4-DR SEDAN LE AUTO		1738	4-DR SEDAN LE AUTO		2532
2-DR COUPE SOLARA V6 SLE AUTO		2744	4-DR SEDAN VE 5-SP		1714	4-DR SEDAN LE V6 AUTO		2534
4-DR SEDAN LE V6 5-SP		2533	4-DR SEDAN VE AUTO		1715	4-DR SEDAN XLE AUTO		2540
						4-DR SEDAN XLE V6 AUTO		2544
						CELICA		
						2-DR CONVERT GT LTD ED 5-SP		2187
						2-DR CONVERT GT LTD ED AUTO		2186
						3-DR LIFTBACK ST LTD ED 5-SP		2169
						3-DR LIFTBACK ST LTD ED AUTO		2168
						COROLLA		
						4-DR SEDAN CLASSIC ED 5-SP		1709
						4-DR SEDAN CLASSIC ED AUTO		1708
						PASEO		
						2-DR CONVERTIBLE 5-SP		1583
						2-DR CONVERTIBLE AUTO		1584
						SUPRA		
						3-DR L/B SPORT ROOF TURBO 6-SP		2383
						TERCEL		
						2-DR HAWK LTD ED 5-SP		1309
						2-DR HAWK LTD ED AUTO		1310
						2-DR SEDAN CE 5-SP		1307
						2-DR SEDAN CE AUTO		1308
						4-DR SEDAN CE 5-SP		1327
						4-DR SEDAN CE AUTO		1328



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES
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W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996

DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
VOLKSWAGEN			VOLKSWAGEN			VOLKSWAGEN					
BEETLE				BEETLE				CABRIO			
2-DR GLS 2.0 5-SP			1C15K4	2-DR HATCHBACK 5-SP			1C13L4	2-DR CONVERTIBLE BASE 5-SP			1E72Q4
2-DR GLS 2.0 AUTO			1C15K3	2-DR HATCHBACK AUTO			1C13L3	2-DR CONVERTIBLE BASE AUTO			1E72Q3
2-DR GLS 2.0 CNYM 5-SP			1C15M4	2-DR GL 2.0 CNYM 5-SP			1C13M4	2-DR CONVERTIBLE HIGHLINE 5-SP			1E73Q4
2-DR GLS 2.0 CNYM AUTO			1C15M3	2-DR GL 2.0 CNYM AUTO			1C13M3	2-DR CONVERTIBLE HIGHLINE AUTO			1E73Q3
GOLF				2-DR HATCHBACK TDI 5-SP			1C1354	GOLF			
2-DR HATCHBACK GTI VR6 5-SP			1W1V74	2-DR HATCHBACK TDI AUTO			1C1353	4-DR HATCHBACK GL HARLEQUIN AUTO			1H1BQ3
2-DR HATCHBACK GTI VR6 CNYM 5-SP			1W1VM4	CABRIO				4-DR HATCHBACK K2 5-SP			1H1RQ4
4-DR HATCHBACK GL 5-SP			1W13Q4	2-DR CONVERTIBLE BASE CNYM 5-SP			1V72M4	4-DR HATCHBACK K2 AUTO			1H1RQ3
4-DR HATCHBACK GL AUTO			1W13Q3	2-DR CONVERTIBLE BASE CNYM AUTO			1V72M3	4-DR HATCHBACK K2 CNYM 5-SP			1H1RM4
4-DR HATCHBACK GL CNYM 5-SP			1W13M4	2-DR CONVERTIBLE GLS CNYM 5-SP			1V73M4	4-DR HATCHBACK K2 CNYM AUTO			1H1RM3
4-DR HATCHBACK GL CNYM AUTO			1W13M3	2-DR CONVERTIBLE GLS CNYM AUTO			1V73M3	4-DR HATCHBACK TDI 5-SP			1H1334
4-DR HATCHBACK WOLFSBURG 5-SP			1W1WQ4	JETTA				4-DR HATCHBACK TDI AUTO			1H1333
4-DR HATCHBACK WOLFSBURG AUTO			1W1WQ3	4-DR MUSIC ED 5-SP			1H2UM4	JETTA			
4-DR HATCHBACK WOLFSBURG CNYM 5			1W1WM4	4-DR SEDAN K2 5-SP			1W2LQ4	4-DR SEDAN GT 5-SP			1H2PQ4
4-DR HATCHBACK WOLFSBURG CNYM A			1W1WM3	4-DR SEDAN K2 AUTO			1W2LQ3	4-DR SEDAN GT AUTO			1H2PQ3
JETTA				4-DR SEDAN K2 CNYM 5-SP			1W2LM4	4-DR SEDAN GT CNYM 5-SP			1H2PM4
4-DR SEDAN GL 2.0 5-SP			9M22K4	4-DR SEDAN K2 CNYM AUTO			1W2LM3	4-DR SEDAN GT CNYM AUTO			1H2PM3
4-DR SEDAN GL 2.0 AUTO			9M22K3	PASSAT				4-DR SEDAN TDI 5-SP			1H2334
4-DR SEDAN GL 2.0 CNYM 5-SP			9M22M4	4-DR SEDAN GLS 5-SP			3B24K5	4-DR SEDAN TDI AUTO			1H2333
4-DR SEDAN GL 2.0 CNYM AUTO			9M22M3	4-DR SEDAN GLS AUTO			3B24K9	4-DR SEDAN TREK 5-SP			1H2QQ4
4-DR SEDAN GL TDI 1.9 5-SP			9M2254	4-DR SEDAN GLS TDI 5-SP			3B2445	4-DR SEDAN TREK AUTO			1H2QQ3
4-DR SEDAN GL TDI 1.9 AUTO			9M2253	4-DR SEDAN GLS TDI AUTO			3B2448	4-DR SEDAN WOLFSBURG 5-SP			1H2WQ4
4-DR SEDAN GLS 2.0 5-SP			9M28K4	4-DR SEDAN GLS V6 5-SP			3B24S5				
4-DR SEDAN GLS 2.0 AUTO			9M28K3	4-DR SEDAN GLS V6 AUTO			3B24S9				
4-DR SEDAN GLS 2.0 CNYM 5-SP			9M28M4	4-DR SEDAN GLS V6 5-SP			3B25S5				
4-DR SEDAN GLS 2.0 CNYM AUTO			9M28M3	4-DR SEDAN GLX 5-SP			3B25S9				
4-DR SEDAN GLS TDI 1.9 5-SP			9M2854	4-DR SEDAN GLX AUTO							
4-DR SEDAN GLS TDI 1.9 AUTO			9M2853								
PASSAT											
4-DR SEDAN GLX SYNCRO AUTO			3B25S6								
5-DR WAGON GLS 5-SP			3B54K5								
5-DR WAGON GLS AUTO			3B54K9								
5-DR WAGON GLS V6 5-SP			3B54S5								
5-DR WAGON GLS V6 AUTO			3B54S9								
5-DR WAGON GLX SYNCRO AUTO			3B54S6								
VOLVO			VOLVO			VOLVO					
70 SERIES				70 SERIES				850 SERIES			
C70 2-DR CONVERTIBLE AUTO			C70LTACV	5-DR WAGON AWD XC AUTO			V70AWXC	4-DR SEDAN GLT AUTO			854GLT
C70 2-DR COUPE LT W/5R AUTO			C70LTASR	C70 2-DR COUPE 5-SP			C70M	4-DR SEDAN R AUTO			854T5A
S70 4-DR SEDAN AWD AUTO			S70AWDA	C70 2-DR COUPE AUTO			C70A	4-DR SEDAN T5 AUTO			854T5
80 SERIES				S70 4-DR SEDAN T5 5-SP			S70T5M	5-DR WAGON GLT AUTO			855GLT
4-DR SEDAN 2.9 AUTO			S80 2.9	V70 5-DR WAGON R AWD AUTO			V70RAWA	5-DR WAGON R AUTO			855T5A
4-DR SEDAN T-6 AUTO			S80 T-6	V70 5-DR WAGON T5 5-SP			V70T5M	5-DR WAGON T5 AUTO			855T5



DE FILIPPS'

LIFO LOOKOUT

1999

NEW ITEM REPORT

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**NEW ITEM CATEGORIES FOR NEW LIGHT-DUTY TRUCKS
UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS
REVENUE PROCEDURES 97-36 & 92-79
W/RT NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1998 - 1997 - 1996**

LIGHT-DUTY TRUCKS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
ACURA			ACURA			ACURA					
CADILLAC			CADILLAC			CADILLAC					
ESCALADE	4-DR SPORT UTILITY		6K10706	SLX SPORT UTILITY	4-DR AUTO 3.5 4WD		9C427				
CHEVROLET/GEO			CHEVROLET/GEO			CHEVROLET/GEO					
ASTRO VAN	PASSENGER VAN AWD CWOI		CL11006 CWOI	BLAZER	4-DR LS PLUS W/1SX CWOI		CS10506 1SX	C-K PICKUP	2WD C1500 F/S V6 R8L SVC		CC10903 CR8L6
BLAZER	2-DR 2WD BASE		CS10516	4-DR LS W/1SX CWOI		CS10506 1SW	CT10506 1SX	CHEVY VAN	G10 2WD 135 WB W/R9S		CG11405 4R9S
	2-DR 2WD LS		CS10516 LS	4-DR LT W/1SX CWOI		CT10506 1SW	CT10506 1SW		G10 2WD 135 WB W/YF7		CG11405 YF7
	2-DR 4WD BASE		CT10516	4-DR LT W/1SY CWOI		CS10506 1SY	CS10506 1SY		G20 2WD 135 WB W/R9S		CG21405 R9S
	2-DR 4WD LS		CT10516 LS	4-DR LT W/1SY CWOI		CT10506 1SY	CT10506 1SY		G20 2WD 135 WB W/YF7		CG21405 YF7
	4-DR 2WD LS		CS10506 LS	C-K PICKUP	2WD C1500 F/S EXT CWOI		CC10753 CWOI		G20 2WD 155 WB W/R9S		CG21705 R9S
	4-DR 2WD LT		CS10506 LT	2WD C1500 S/S XCAB SWB SILVERADO		CC10753 SSS	CC10753 SSS		G20 2WD 155 WB W/YF7		CG21705 YF7
	4-DR 2WD TRAILBLAZER		CS10506 TB	2WD F/S EXT CWOI		CC10953 CWOI	CC10953 CWOI		G30 2WD 135 WB W/R9S		CG31405 R9S
	4-DR 4WD LS		CT10506 LS	4WD K1500 S/S XCAB SWB SILVERADO		CK10753 SSS	CK10753 SSS		G30 2WD 135 WB W/YF7		CG31405 YF7
	4-DR 4WD LT		CT10506 LT	S10 PICKUP	2WD F/S EXT CAB LS 1ST CWOI		CS10653 FLS1ST		G30 2WD 155 WB W/R9S		CG31705 R9S
	4-DR 4WD TRAILBLAZER		CT10506 TB	2WD F/S EXT CAB LS 1SW CWOI		CS10653 1SW	CS10653 1SW	COMMERCIAL CUTAWAY VAN	COMM. CUTAWAY VAN 09,500 LBS.		CG31503 E23
C-K PICKUP	2WD C2500 CREW CAB SWB		CC20743	2WD S/S EXT CAB LS 1ST CWOI		CS10653 1ST	CS10653 1ST		COMM. CUTAWAY VAN 10,000 LBS.		CG31503 C7A
	2WD C3500 CREW CAB SWB		CC30743	2WD S/S REG CAB LS 1ST CWOI		CS10603 1ST	CS10603 1ST		COMM. CUTAWAY VAN 10,000 LBS.		CG31803 C7A
	4WD K2500 CREW CAB SWB		CK20743	SUBURBAN	2WD C1500 CWOI		CC10906 CWOI		COMM. CUTAWAY VAN 11,000 LBS.		CG31503 C7E
	4WD K3500 CREW CAB SWB		CK30743	4WD C1500 CWOI		CK10906 CWOI	CK10906 CWOI		COMM. CUTAWAY VAN 11,000 LBS.		CG31803 C7E
SILVERADO	2WD C1500 EXT CAB LS LWB		CC15953 LS	TAHOE	4-DR 2WD CWOI		CC10706 CWOI		COMM. CUTAWAY VAN 12,000 LBS.		CG31503 C7L
	2WD C1500 EXT CAB LS SWB		CC15753 LS	4-DR 4WD CWOI		CK10706 CWOI	CK10706 CWOI		COMM. CUTAWAY VAN 12,000 LBS.		CG31903 C7L
	2WD C1500 EXT CAB LT LWB		CC15953 LT	TRACKER	2-DR 2WD CONVERTIBLE CWOI		CE10367 CWOI		EXPRESS		G10 2WD 135 WB
	2WD C1500 EXT CAB LT SWB		CC15753 LT	2-DR 4WD CONVERTIBLE CWOI		CJ10367 CWOI	CJ10367 CWOI		G20 2WD 135 WB		CG11406
	2WD C1500 EXT CAB LWB		CC15953	4-DR 2WD HARDTOP CWOI		CE10305 CWOI	CE10305 CWOI		G20 2WD EXT 155 WB		CG21406
	2WD C1500 EXT CAB SWB		CC15753	4-DR 4WD HARDTOP CWOI		CJ10305 CWOI	CJ10305 CWOI		G30 2WD 135 WB		CG21706
	2WD C1500 REG CAB LS LWB		CC15903 LS	VENTURE	3-DR CARGO EXT WB		1UM06 Z10		G30 2WD 135 WB		CG31406
	2WD C1500 REG CAB LS SWB		CC15703 LS	4-DR CARGO EXT WB		1UM16 Z10	1UM16 Z10		G30 2WD EXT 155 WB		CG31706
	2WD C1500 REG CAB LWB		CC15903	4-DR CARGO EXT WB 1SW CWOI		1UM16 1SW	1UM16 1SW		F.C. CHASSIS		FORWARD CONTROL CHASSIS
	2WD C1500 REG CAB SWB		CC15703						FORWARD CONTROL CHASSIS		CP30542
	2WD C2500 EXT CAB LS LWB		CC25953 LS						FORWARD CONTROL CHASSIS		CP30842
	2WD C2500 EXT CAB LT LWB		CC25953 LT						FORWARD CONTROL CHASSIS		CP31042
	2WD C2500 EXT CAB LT SWB		CC25753 LT								



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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
CHEVROLET/GEO			CHEVROLET/GEO			CHEVROLET/GEO		
SILVERADO (continued)						F.C. CHASSIS (continued)		
2WD C2500 EXT CAB LWB		CC25953				FORWARD CONTROL CHASSIS		CP31442
2WD C2500 EXT CAB SWB		CC25753				FORWARD CONTROL CHASSIS		CP31842
2WD C2500 EXT CAB LS SWB		CC25753 LS				S10 PICKUP		
2WD C2500 REG CAB H/D		CC25903 HD				2WD F/S EXT CAB 8CYL R8L (CM)		CS10653 CR8L6
2WD C2500 REG CAB H/D LS		CC25903 HDLS				2WD S/S EXT CAB LS 122 WB		CS10653 SLS
2WD C2500 REG CAB L/D		CC25903 LD				2WD S/S REG CAB LS 108 WB		CS10603 SLS
2WD C2500 REG CAB L/D LS		CC25903 LDLS				4WD S/S EXT CAB LS 122 WB		CT10653 SLS
4WD K1500 EXT CAB LS LWB		CK15953 LS				4WD S/S REG CAB LS 108 WB		CT10603 SLS
4WD K1500 EXT CAB LS SWB		CK15753 LS				VENTURE		
4WD K1500 EXT CAB LT LWB		CK15953 LT				3-DR EXT WB		1UM06
4WD K1500 EXT CAB LT SWB		CK15753 LT				3-DR REG WB		1UN06
4WD K1500 EXT CAB LWB		CK15953				4-DR EXT WB		1UM16
4WD K1500 EXT CAB SWB		CK15753				4-DR REG WB		1UN16
4WD K1500 REG CAB LS LWB		CK15903 LS						
4WD K1500 REG CAB LS SWB		CK15703 LS						
4WD K1500 REG CAB LWB		CK15903						
4WD K1500 REG CAB SWB		CK15703						
4WD K2500 EXT CAB LS LWB		CK25953 LS						
4WD K2500 EXT CAB LS SWB		CK25753 LS						
4WD K2500 EXT CAB LT LWB		CK25953 LT						
4WD K2500 EXT CAB LT SWB		CK25753 LT						
4WD K2500 EXT CAB LWB		CK25953						
4WD K2500 EXT CAB SWB		CK25753						
4WD K2500 REG CAB		CK25903						
4WD K2500 REG CAB LS		CK25903 LS						
SILVERADO CHASSIS CAB								
2WD C2500 FS CHASSIS CAB		CC25903 CC						
2WD C2500 FS CHASSIS CAB LS		CC25903 CCLS						
4WD K2500 FS CHASSIS CAB		CK25903 CC						
4WD K2500 FS CHASSIS CAB LS		CK25903 CCLS						
TRACKER								
2-DR 2WD CONVERTIBLE		CE10367						
2-DR 4WD CONVERTIBLE		CJ10367						
4-DR 2WD HARDTOP		CE10305						
4-DR 4WD HARDTOP		CJ10305						
CHRYSLER			CHRYSLER			CHRYSLER		
TOWN & COUNTRY						TOWN & COUNTRY		
MPV LTD AWD		NSCS53 LTD				MPV LX AWD		NSCP53
MPV LTD FWD		NSYS53 LTD				MPV LXI AWD		NSCS53
DODGE			DODGE			DODGE		
CARAVAN			DURANGO			CARAVAN		
CARAVAN SPORT		NSKH52 SP	4-DR 4WD WAGON		DN5L74	GRAND CARAVAN ES AWD		NSDP53 ES
GRAND CARAVAN ES		NSKX53 ES	RAM PICKUP			GRAND CARAVAN LE AWD		NSDP53 SE
GRAND CARAVAN ES AWD		NSDX53 ES	2WD BR1500 QUAD CAB LWB		BE1L34	GRAND CARAVAN SE AWD		NSDH53 SE
GRAND CARAVAN SPORT		NSKH53 SP	2WD BR1500 QUAD CAB SWB		BE1L33			
DURANGO			2WD BR2500 QUAD CAB LWB		BE2L34	DAKOTA		
4-DR 2WD WAGON		DN1L74	2WD BR2500 QUAD CAB SWB		BE2L33	4X2 CLUB CAB 131WB		AN1L31
			2WD BR3500 QUAD CAB DRW		BE3L34	4X2 REG CAB 112WB		AN1L61
			4WD BR1500 QUAD CAB LWB		BE6L34	4X2 REG CAB 124WB		AN1L62
			4WD BR1500 QUAD CAB SWB		BE6L33	4X4 CLUB CAB 131WB		AN5L31
			4WD BR2500 QUAD CAB LWB		BE7L33	4X4 REG CAB 112WB		AN5L61
			4WD BR2500 QUAD CAB SWB		BE7L34			
			4WD BR3500 QUAD CAB 4WD DRW		BE8L34			
			RAM VANS					
			B1500 MAXI-VAN 127 WB		AB1L13			



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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
FORD			FORD			FORD		
F250 SUPER DUTY PICKUP			RANGER			CUTAWAY VAN		
2WD CREW CAB LARIAT LWB	W20 LARLWB		4X2 REG CAB SPLASH 112 WB		R10 SPL112	COMM STRIPPED CHASSIS SRW 124 WB	E29 SRW124	
2WD CREW CAB LARIAT SWB	W20 LARSWB		4X2 REG CAB XL 112 WB		R10 XL112	COMM CUTAWAY DRW S.D. 158 WB	E47 DRW158	
2WD CREW CAB XL LWB	W20 XLLWB		4X2 REG CAB XL 118 WB		R10 XL118	COMM CUTAWAY DRW S.D. 176 WB	E47 DRW176	
2WD CREW CAB XL SWB	W20 XLSWB		4X2 REG CAB XLT 112 WB		R10 XLT112	RV CUTAWAY DRW S.D. 158 WB	E40 DRW158	
2WD CREW CAB XLT LWB	W20 XLTLWB		4X2 REG CAB XLT 118 WB		R10 XLT118	RV CUTAWAY DRW S.D. 176 WB	E40 DRW176	
2WD CREW CAB XLT SWB	W20 XLTSWB		4X2 SUPERCAB SPLASH 126 WB		R14 SPL126			
2WD REG CAB LARIAT	F20 LAR		4X2 SUPERCAB XL 126 WB		R14 XL126	EXPEDITION		
2WD REG CAB XL	F20 XL		4X2 SUPERCAB XLT 126 WB		R14 XLT126	4-DR WAGON EDDIE BAUER 2WD	U17 EB	
2WD REG CAB XLT	F20 XLT		4X4 REG CAB SPLASH 112 WB		R11 SPL112	4-DR WAGON EDDIE BAUER 4WD	U18 EB	
2WD SUPERCAB LARIAT LWB	X20 LARLWB		4X4 REG CAB XL 112 WB		R11 XL112	4-DR WAGON XLT 2WD	U17 XLT	
2WD SUPERCAB LARIAT SWB	X20 LARSWB		4X4 REG CAB XL 118 XB		R11 XL118	4-DR WAGON XLT 4WD	U18 XLT	
2WD SUPERCAB XL LWB	X20 XLLWB		4X4 REG CAB XLT 112 WB		R11 XLT112			
2WD SUPERCAB XL SWB	X20 XLSWB		4X4 REG CAB XLT 118 WB		R11 XLT118	EXPLORER		
2WD SUPERCAB XLT LWB	X20 XLTLWB		4X4 SUPERCAB SPLASH 126 WB		R15 SPL126	4-DR WAGON EDDIE BAUER AWD	U35 EB	
2WD SUPERCAB XLT SWB	X20 XLTSWB		4X4 SUPERCAB XL 126 WB		R15 XL126	4-DR WAGON LTD AWD	U35 LTD	
4WD CREW CAB LARIAT LWB	W21 LARLWB		4X4 SUPERCAB XLT 126 WB		R15 XLT126	4-DR WAGON XLT AWD	U35 XLT	
4WD CREW CAB LARIAT SWB	W21 LARSWB							
4WD CREW CAB XL LWB	W21 XLLWB					F250 PICKUP		
4WD CREW CAB XL SWB	W21 XLSWB					4X2 REG CAB S/S LARIAT	F27 LAR	
4WD CREW CAB XLT LWB	W21 XLTLWB					4X2 REG CAB S/S STANDARD	F27 STD	
4WD CREW CAB XLT SWB	W21 XLTSWB					4X2 REG CAB S/S XL	F27 XL	
4WD REG CAB LARIAT	F21 LAR					4X2 REG CAB S/S XLT	F27 XLT	
4WD REG CAB XL	F21 XL					4X2 SUPERCAB S/S LARIAT	X27 LAR	
4WD REG CAB XLT	F21 XLT					4X2 SUPERCAB S/S STANDARD	X27 STD	
4WD SUPERCAB LARIAT LWB	X21 LARLWB					4X2 SUPERCAB S/S XL	X27 XL	
4WD SUPERCAB LARIAT SWB	X21 LARSWB					4X2 SUPERCAB S/S XLT	X27 XLT	
4WD SUPERCAB XL LWB	X21 XLLWB					4X4 REG CAB S/S LARIAT	F28 LAR	
4WD SUPERCAB XL SWB	X21 XLSWB					4X4 REG CAB S/S STANDARD	F28 STD	
4WD SUPERCAB XLT LWB	X21 XLTLWB					4X4 REG CAB S/S XL	F28 XL	
4WD SUPERCAB XLT SWB	X21 XLTSWB					4X4 REG CAB S/S XLT	F28 XLT	
F350 SUPER DUTY PICKUP						4X4 SUPERCAB S/S LARIAT	X28 LAR	
2WD CREW CAB LARIAT DRW LWB	W32 LARLWB					4X4 SUPERCAB S/S STANDARD	X28 STD	
2WD CREW CAB LARIAT DRW SWB	W32 LARSWB					4X4 SUPERCAB S/S XL	X28 XL	
2WD CREW CAB LARIAT SRW LWB	W30 LARLWB					4X4 SUPERCAB S/S XLT	X28 XLT	
2WD CREW CAB LARIAT SRW SWB	W30 LARSWB							
2WD CREW CAB XL DRW LWB	W32 XLLWB					F350 PICKUP		
2WD CREW CAB XL DRW SWB	W32 XLSWB					4X2 REG CAB S/S DRW 133 WB	F35 D133	
2WD CREW CAB XL SRW LWB	W30 XLLWB							
2WD CREW CAB XL SRW SWB	W30 XLSWB					WINDSTAR		
2WD CREW CAB XLT DRW LWB	W32 XLTLWB					WAGON LTD	A51 LTD	
2WD CREW CAB XLT DRW SWB	W32 XLTSWB					WAGON STD	A51 STD	
2WD CREW CAB XLT SRW LWB	W30 XLTLWB							
2WD CREW CAB XLT SRW SWB	W30 XLTSWB							
2WD REG CAB LARIAT DRW	F32 LAR							
2WD REG CAB LARIAT SRW	F30 LAR							
2WD REG CAB XL DRW	F32 XL							
2WD REG CAB XL SRW	F30 XL							
2WD REG CAB XLT DRW	F32 XLT							
2WD REG CAB XLT SRW	F30 XLT							
2WD SUPERCAB LARIAT DRW	X32 LAR							
2WD SUPERCAB LARIAT SRW LWB	X30 LARLWB							
2WD SUPERCAB LARIAT SRW SWB	X30 LARSWB							
2WD SUPERCAB XL DRW	X32 XL							
2WD SUPERCAB XL SRW LWB	X30 XLLWB							
2WD SUPERCAB XL SRW SWB	X30 XLSWB							
2WD SUPERCAB XLT DRW	X32 XLT							
2WD SUPERCAB XLT SRW LWB	X30 XLTLWB							
2WD SUPERCAB XLT SRW SWB	X30 XLTSWB							
4WD CREW CAB LARIAT DRW LWB	W33 LARLWB							
4WD CREW CAB LARIAT DRW SWB	W33 LARSWB							
4WD CREW CAB LARIAT SRW LWB	W31 LARLWB							
4WD CREW CAB LARIAT SRW SWB	W31 LARSWB							



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TRUCKS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
FORD			FORD			FORD		
F350 SUPER DUTY PICKUP (continued)								
4WD CREW CAB XL DRW LWB		W33 XLLWB						
4WD CREW CAB XL DRW SWB		W33 XLSWB						
4WD CREW CAB XL SRW LWB		W31 XLLWB						
4WD CREW CAB XL SRW SWB		W31 XLSWB						
4WD CREW CAB XLT DRW LWB		W33 XLT LWB						
4WD CREW CAB XLT DRW SWB		W33 XLT SWB						
4WD CREW CAB XLT SRW LWB		W31 XLT LWB						
4WD CREW CAB XLT SRW SWB		W31 XLT SWB						
4WD REG CAB LARIAT DRW		F33 LAR						
4WD REG CAB LARIAT SRW		F31 LAR						
4WD REG CAB XL DRW		F33 XL						
4WD REG CAB XL SRW		F31 XL						
4WD REG CAB XLT DRW		F33 XLT						
4WD REG CAB XLT SRW		F31 XLT						
4WD SUPERCAB LARIAT DRW		X33 LAR						
4WD SUPERCAB LARIAT SRW LWB		X31 LAR LWB						
4WD SUPERCAB LARIAT SRW SWB		X31 LAR SWB						
4WD SUPERCAB XL DRW		X33 XL						
4WD SUPERCAB XL SRW LWB		X31 XLLWB						
4WD SUPERCAB XL SRW SWB		X31 XLSWB						
4WD SUPERCAB XLT DRW		X33 XLT						
4WD SUPERCAB XLT SRW LWB		X31 XLT LWB						
4WD SUPERCAB XLT SRW SWB		X31 XLT SWB						
SUPER DUTY CAB/CHASSIS								
2WD F350 CREW CAB DRW XL		W36 XL						
2WD F350 CREW CAB DRW XLT		W36 XLT						
2WD F350 CREW CAB SRW XL		W34 XL						
2WD F350 CREW CAB SRW XLT		W34 XLT						
2WD F350 REG CAB DRW XL LWB		F36 XLLWB						
2WD F350 REG CAB DRW XL SWB		F36 XLSWB						
2WD F350 REG CAB DRW XLT LWB		F36 XLT LWB						
2WD F350 REG CAB DRW XLT SWB		F36 XLT SWB						
2WD F350 REG CAB SRW XL		F34 XL						
2WD F350 REG CAB SRW XLT		F34 XLT						
2WD F350 SUPERCAB DRW XL		X36 XL						
2WD F350 SUPERCAB DRW XLT		X36 XLT						
2WD F350 SUPERCAB SRW XL		X34 XL						
2WD F350 SUPERCAB SRW XLT		X34 XLT						
4WD F350 CREW CAB DRW XL		W37 XL						
4WD F350 CREW CAB DRW XLT		W37 XLT						
4WD F350 CREW CAB SRW XL		W35 XL						
4WD F350 CREW CAB SRW XLT		W35 XLT						
4WD F350 REG CAB DRW XL LWB		F37 XLLWB						
4WD F350 REG CAB DRW XL SWB		F37 XLSWB						
4WD F350 REG CAB DRW XLT LWB		F37 XLT LWB						
4WD F350 REG CAB DRW XLT SWB		F37 XLT SWB						
4WD F350 REG CAB SRW XL		F35 XL						
4WD F350 REG CAB SRW XLT		F35 XLT						
4WD F350 SUPERCAB DRW XL		X37 XL						
4WD F350 SUPERCAB DRW XLT		X37 XLT						
4WD F350 SUPERCAB SRW XL		X35 XL						
4WD F350 SUPERCAB SRW XLT		X35 XLT						
WINDSTAR								
3/4-DR WAGON 3.0L		A51						
3/4-DR WAGON LX		A51 LX						
4-DR WAGON SE		A52						
4-DR WAGON SEL		A53						
VAN		A54						



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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
GMC TRUCKS			GMC TRUCKS			GMC TRUCKS		
C-K SIERRA PICKUP			C-K SIERRA PICKUP			C-K SIERRA PICKUP		
2WD 2500 CREW CAB 154.5		TC20743	C1500 S/S EXT CAB SWB		C10753 SS	C1500 W/S REG CAB R6V C.S.E		C10903 R6V
4WD 2500 CREW CAB 154.5		TK20743	C1500 W/S EXT CAB SWB 1SV CWOI		C10753 1SV	CHASSIS LO-PRO		
2WD 3500 CREW CAB 154.5		TC30743	K1500 S/S EXT CAB SWB		K10753 SS	FORWARD CONTROL CHASSIS 110WB		TP30542
4WD 3500 CREW CAB 154.5		TK30743	CHASSIS LO-PRO			FORWARD CONTROL CHASSIS 178WB		TP31842
JIMMY			FORWARD CONTROL CHASSIS		TP30842	S15 SONOMA		
2WD 2-DR WAGON R9S		TS10516 R9S	FORWARD CONTROL CHASSIS		TP31042	2WD W/S EXT CAB R6V CA SP ED		S10653 R6V CSE
2WD 4-DR WAGON YC5		TS10506 YC5	JIMMY			2WD W/S EXT CAB W/C5		S10653 W/C5
2WD 4-DR WAGON YC6		TS10506 YC6	2WD 4-DR WAGON R6V CWOI		TS10506 R6V	SAFARI		
4WD 2-DR WAGON R9S		TT10516 R9S	4-DR 4WD WAGON YC6 CWOI		TT10506 CWOI	PASSENGER VAN R6V CWOI		TM11006 R6V
4WD 4-DR WAGON ENVOY		TT10506 ENV	S15 SONOMA			SAVANA		
4WD 4-DR WAGON YC5		TT10506 YC5	2WD S/S REG CAB CWOI		TS10603 CWOI	G3500 CARGO VAN LWB W/YF7		TG31705 YF7
4WD 4-DR WAGON YC6		TT10506 YC6	2WD W/S EXT CAB 1SV CWOI		S10653 1SV	G3500 CARGO VAN SWB W/YF7		TG31405 YF7
SIERRA CLASSIC			2WD W/S EXT CAB R6V CWOI		S10653 R6V	G3500 SPECIAL 159 WB		TG31803
2WD 1500 W/S EXT CAB		TC10753	YUKON			G3500 SPECIAL W/C7L 159 WB		TG31803 W/7CL
4WD 1500 W/S EXT CAB		TK10753	4-DR 4WD YUKON DENALI		K10706 DEN	G3500 SPECIAL W/E23 139 WB		TG31803 W/E23
SIERRA PICKUP								
2WD 1500 EXT CAB SL LWB		TC15953 SL						
2WD 1500 EXT CAB SL SWB		TC15753 SL						
2WD 1500 EXT CAB SLE LWB		TC15953 SLE						
2WD 1500 EXT CAB SLE SWB		TC15753 SLE						
2WD 1500 REG CAB SL LWB		TC15903 SL						
2WD 1500 REG CAB SL SWB		TC15703 SL						
2WD 1500 REG CAB SLE LWB		TC15903 SLE						
2WD 1500 REG CAB SLE SWB		TC15703 SLE						
2WD 2500 EXT CAB SL LWB		TC25953 SL						
2WD 2500 EXT CAB SL SWB		TC25753 SL						
2WD 2500 EXT CAB SLE LWB		TC25953 SLE						
2WD 2500 EXT CAB SLE SWB		TC25753 SLE						
2WD 2500 REG CAB SL H/D		TC25903 SLHD						
2WD 2500 REG CAB SL L/D		TC25903 SL						
2WD 2500 REG CAB SLE H/D		TC25903 SLEHD						
2WD 2500 REG CAB SLE L/D		TC25903 SLE						
4WD 1500 EXT CAB SL LWB		TK15953 SL						
4WD 1500 EXT CAB SL SWB		TK15753 SL						
4WD 1500 EXT CAB SLE LWB		TK15953 SLE						
4WD 1500 EXT CAB SLE SWB		TK15753 SLE						
4WD 1500 REG CAB SL LWB		TK15903 SL						
4WD 1500 REG CAB SL SWB		TK15703 SL						
4WD 1500 REG CAB SLE LWB		TK15903 SLE						
4WD 1500 REG CAB SLE SWB		TK15703 SLE						
4WD 2500 EXT CAB SL LWB		TK25953 SL						
4WD 2500 EXT CAB SL SWB		TK25753 SL						
4WD 2500 EXT CAB SLE LWB		TK25953 SLE						
4WD 2500 EXT CAB SLE SWB		TK25753 SLE						
4WD 2500 REG CAB SL		TK25903 SL						
4WD 2500 REG CAB SLE		TK25903 SLE						
HONDA			HONDA			HONDA		
CR-V			CR-V					
2WD 5-DR LX AUTO		RD284	4WD 5-DR LX AUTO		RD184			
4WD 5-DR EX 5-SP		RD176	4WD 5-DR AUTO W/ABS		RD185			
4WD 5-DR EX AUTO		RD186	PASSPORT					
4WD 5-DR LX 5-SP		RD174	2WD 4-DR EX AUTO		9B226			
ODYSSEY			2WD 4-DR EX AUTO W/LEATHER		9B227			
5-DR EX W/2ND ROW BUCKET AUTO		RL186	2WD 4-DR LX 5-SP		9B214			
5-DR LX W/2ND ROW BENCH AUTO		RL184	2WD 4-DR LX AUTO		9B224			
5-DR LX W/2ND ROW BUCKET AUTO		RL185	4WD 4-DR 5-SP W/WHEEL PKG		9B315			
			4WD 4-DR AUTO W/LEATHER		9B327			
			4WD 4-DR EX AUTO		9B326			
			4WD 4-DR LX 5-SP		9B314			
			4WD 4-DR LX AUTO		9B324			
			4WD 4-DR LX AUTO W/WHEEL PKG		9B325			



**NEW ITEM CATEGORIES FOR NEW LIGHT-DUTY TRUCKS
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**LIGHT-DUTY
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
INFINITI				INFINITI				INFINITI			
ISUZU				ISUZU				ISUZU			
AMIGO				HOMBRE				HOMBRE			
2WD S 5-SP		B15		2WD REG CAB S AUTO		P14		2WD S REG CAB 5-SP		P15	
2WD S HARDTOP 5-SP		E15		2WD REG CAB XS AUTO		P24		2WD XS REG CAB 5-SP		P25	
2WD S HARDTOP V6 AUTO		F14		2WD SPACECAB XS AUTO		P54		2WD XS SPACECAB 5-SP		P55	
2WD S V6 AUTO		A14		4WD REG CAB S 5-SP		T35		2WD XS SPACECAB V6 AUTO		P64	
4WD S 5-SP		C15		4WD SPACECAB S AUTO		T64		OASIS			
4WD S HARDTOP V6 AUTO		G14		4WD SPACECAB XS 5-SP		T65		6-PASS WAGON LS		J64	
4WD S V6 5-SP		D15		RODEO				7-PASS WAGON S		J44	
4WD S V6 AUTO		D14		2WD 4-DR (4 CYL) S 5-SP		P45		7-PASS WAGON S		J54	
RODEO				2WD 4-DR LS AUTO		R64		TROOPER			
2WD 4-DR LS 5-SP		R55		2WD 4-DR S 5-SP		R45		4-DR SE AUTO		M54 SE	
2WD 4-DR LSE AUTO		R64		2WD 4-DR S AUTO		R44					
4WD 4-DR LSE AUTO		V64		4WD 4-DR LS 5-SP		V65					
TROOPER				4WD 4-DR LS AUTO		V64					
4WD LS AUTO W/PERF PKG		M64		4WD 4-DR S 5-SP		V45					
				4WD 4-DR S AUTO		V44					
JEEP				JEEP				JEEP			
GRAND CHEROKEE				CHEROKEE				CHEROKEE			
4-DR 2WD WAGON LAREDO		WJTL74 LAR		4-DR 2WD WAGON CLASSIC		XJTL74 CL		4-DR 2WD WAGON CLASSIC		XJTL74 CL	
4-DR 2WD WAGON LIMITED		WJTL74 LTD		4-DR 2WD WAGON LIMITED		XJTL74 LTD		4-DR 4WD WAGON CLASSIC		XJL74 CL	
4-DR 4WD WAGON LAREDO		WJL74 LAR		4-DR 4WD WAGON CLASSIC		XJL74 CL		WRANGLER			
4-DR 4WD WAGON LIMITED		WJL74 LTD		4-DR 4WD WAGON LIMITED		XJL74 LTD		WRANGLER SAHARA		TJL77 SA	
				GRAND CHEROKEE				WRANGLER SE		TJL77 SE	
				4-DR 2WD WAGON TSI		ZJTL74 TSI		WRANGLER SPORT		TJL77 SP	
				4-DR 4WD WAGON 5.9 LIMITED		ZJL74 L5.9					
				4-DR 4WD WAGON TSI		ZJL74 TSI					
KIA				KIA				KIA			
SPORTAGE				SPORTAGE				SPORTAGE			
4X2 2-DR DOHC CONVERT AUTO		42212		4X2 4-DR DOHC 5-SP		42211		4X2 4-DR DOHC AUTO		42222	
4X4 2-DR DOHC CONVERT 5-SP		42411		4X2 4-DR DOHC EX 5-SP		42241		4X2 4-DR DOHC EX AUTO		42242	
LAND ROVER/RANGE ROVER				LAND ROVER/RANGE ROVER				LAND ROVER/RANGE ROVER			
LAND ROVER DISCOVERY				DISCOVERY				DEFENDER 90			
4-DR 4WD HARDTOP SD AUTO		SDVZ SD		4-DR HARDTOP 4WD LSE AUTO		SDVZLSE		2-DR HARDTOP		SLNZ HT	
SERIES II W/CLOTH		SDVC						2-DR SOFTTOP		SLNZ ST	
SERIES II W/LEATHER		SDVL									
RANGE ROVER											
4-DR 4WD 4.0 SE		SXLD									
4-DR 4WD 4.6 HSE		SXLQ									
LEXUS				LEXUS				LEXUS			
LX 470				LX 450				LX 450			
LUXURY SPORT UTILITY AUTO		9620		LUXURY SPORT UTILITY AUTO		9600		LUXURY SPORT UTILITY AUTO		9610	
LUXURY SPORT UTILITY AUTO CANY		9610		LUXURY SPORT UTILITY AUTO CANY		9610					
RX 300											
4-DR 4WD LUX SPORT UT AUTO		9424									
4-DR FWD LUX SPORT UT AUTO		9420									



**NEW ITEM CATEGORIES FOR NEW LIGHT-DUTY TRUCKS
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LIGHT-DUTY
TRUCKS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
LINCOLN			LINCOLN			LINCOLN		
			NAVIGATOR					
			4-DR 2WD WAGON			U27		
			4-DR 4WD WAGON			U28		
MAZDA			MAZDA			MAZDA		
B SERIES PICKUP			B SERIES PICKUP			B SERIES PICKUP		
4X2 B2500 CAB PLUS 4 SE 5-SP		B254SE2P	4X2 B2500 CAB PLUS SE 5-SP		B25CSE2P	4X2 B4000 CAB PLUS SE 5-SP		B40CSEM
4X2 B3000 CAB PLUS 4 SE 5-SP		B304SE2P	4X2 B2500 REG CAB SE 5-SP		B25SSE2P	4X4 B4000 CAB PLUS 5-SP		B4XCBSM
4X2 B3000 CAB PLUS 4 SE AUTO		B304SE2A	4X2 B2500 REG CAB SE AUTO		B25SSE2A	4X4 B4000 REG CAB 5-SP		B4XSBSM
4X2 B4000 CAB PLUS 4 SE AUTO		B404SE2A	4X2 B2500 REG CAB SX 5-SP		B25SSX2P			
4X2 B4000 REG CAB SE 5-SP		B40SSE2P	4X2 B2500 REG CAB SX AUTO		B25SSX2A			
4X4 B3000 CAB PLUS 4 SE 5-SP		B3X4SEXP	4X2 B3000 CAB PLUS SE 5-SP		B30CSE2P			
4X4 B3000 CAB PLUS 4 SE AUTO		B3X4SEXA	4X2 B3000 CAB PLUS SE AUTO		B30CSE2A			
4X4 B4000 CAB PLUS 4 SE 5-SP		B4X4SEXP	4X2 B4000 CAB PLUS SE 5-SP		B40CSE2P			
4X4 B4000 CAB PLUS 4 SE AUTO		B4X4SEXA	4X2 B4000 CAB PLUS SE AUTO		B40CSE2A			
MERCEDES			MERCEDES			MERCEDES		
M CLASS			M CLASS					
ML430 4-DR SPORT UTILITY		ML430	ML320 4-DR SPORT UTILITY		ML320			
MERCURY			MERCURY			MERCURY		
VILLAGER			MOUNTAINEER			MOUNTAINEER		
4-DR WAGON BASE		V11	4-DR 4WD WAGON		U54	4-DR 2WD WAGON		U52
4-DR WAGON ESTATE		V11 EST				4-DR AWD WAGON		U55
4-DR WAGON SPORT		V11 SP						
MITSUBISHI			MITSUBISHI			MITSUBISHI		
MONTERO SPORT			MONTERO			MONTERO SPORT		
4-DR 2WD SPORT LS V6 AUTO		MT45-D AUTO	4-DR V6 AUTO		MP45-B AUTO	4-DR 2WD SPORT LS AUTO		MT45-P AUTO
4-DR 2WD SPORT LTD AUTO		MT45-P LTD	MONTERO SPORT			4-DR 4WD SPORT LS 5-SP		MT45-R 5-SP
4-DR 2WD SPORT XLS V6 AUTO		MT45-G AUTO	4-DR 2WD ES 5-SP		MT45-B 5-SP	4-DR 4WD SPORT LS AUTO		MT45-R AUTO
4-DR 4WD SPORT LS V6 5-SP		MT45-F 5-SP	4-DR 2WD XLS V6 AUTO		MT45-P AUTO	4-DR 4WD SPORT XLS AUTO		MT45-X AUTO
4-DR 4WD SPORT LS V6 AUTO		MT45-F AUTO						
4-DR 4WD SPORT LTD AUTO		MT45-X LTD						
4-DR 4WD SPORT XLS V6 AUTO		MT45-K AUTO						
NISSAN			NISSAN			NISSAN		
FRONTIER PICKUP			FRONTIER PICKUP			4X2 PICKUP		
4WD KING CAB V6 SE 5-SP		6365	2WD KING CAB SE 5-SP		5325	KING CAB SE 5-SP		5325
4WD KING CAB V6 SE AUTO		6361	2WD KING CAB SE AUTO		5321	KING CAB SE AUTO		5321
4WD KING CAB V6 XE 5-SP		6375	2WD KING CAB XE 5-SP		5355	KING CAB XE 5-SP		5355
4WD KING CAB V6 XE AUTO		6371	2WD KING CAB XE AUTO		5351	KING CAB XE AUTO		5351
			2WD REG CAB XE 5-SP		3355	REG CAB XE 5-SP		3355
			2WD REG CAB XE AUTO		3351	REG CAB XE AUTO		3351
			2WD STANDARD 5-SP		3305	STANDARD 5-SP		3305
			4WD KING CAB SE 5-SP		5335			
			4WD KING CAB XE 5-SP		5375			
			4WD REG CAB XE 5-SP		3375			
QUEST						4X4 PICKUP		
WAGON GLE AUTO		1051				KING CAB SE 5-SP		5335
WAGON GXE AUTO		1031				KING CAB XE 5-SP		5375
WAGON SE AUTO		1041				REG CAB XE 5-SP		3375



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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
NISSAN			NISSAN			NISSAN		
						PATHFINDER		
						4-DR 4X2 LE AUTO 0931		
						4-DR 4X2 LE AUTO 1931		
						4-DR 4X2 XE 5-SP 0925		
						4-DR 4X2 XE AUTO 0921		
						4-DR 4X4 LE AUTO 0981		
						4-DR 4X4 LE AUTO 1981		
						4-DR 4X4 SE 5-SP 0975		
						4-DR 4X4 SE AUTO 0971		
						4-DR 4X4 XE 5-SP 0965		
						4-DR 4X4 XE AUTO 0961		
OLDSMOBILE			OLDSMOBILE			OLDSMOBILE		
SILHOUETTE			SILHOUETTE			BRAVADA		
4-DR MINIVAN PREMIER ED EXT 3UM16 PR			4-DR MINIVAN GS REG WB 1SB 3UN16 1SB			4-DR SPORT UTILITY REGIONAL CWOI V06 R7A-R		
						SILHOUETTE		
						3-DR MINIVAN BASE EXT WB M06U R7B		
						3-DR MINIVAN BASE REG WB N06U R7A		
						3-DR MINIVAN GL EXT WB M06U R7C		
						3-DR MINIVAN GLS EXT WB M06U R7E		
						4-DR MINIVAN GL EXT WB M16U R7D		
						4-DR MINIVAN GLS EXT WB M16U R7F		
PLYMOUTH			PLYMOUTH			PLYMOUTH		
			GRAND VOYAGER					
			MPV EXPRESSO FWD NSHH53 E					
			VOYAGER					
			MPV EXPRESSO FWD NSHH52 E					
PONTIAC			PONTIAC			PONTIAC		
			TRANS SPORT			TRANS SPORT		
			4-DR MINIVAN 1SF CWOI 2UN16 1SF			3-DR MINIVAN SE EXT WB M06		
			4-DR MINIVAN 1SG CWOI 2UN16 1SG			3-DR MINIVAN SE EXT WB CWOI M06 1SG		
			4-DR MINIVAN 1SH CWOI 2UN16 1SH			3-DR MINIVAN SE REG WB N06		
			4-DR MINIVAN EXT WB 1SH CWOI 2UM16 1SH			3-DR MINIVAN SE REG WB CWOI N06 1SG		
			4-DR MINIVAN SE REG WB 2UN16			4-DR MINIVAN SE EXT WB M16		
						4-DR MINIVAN SE EXT WB CWOI M16 1SG		
SUBARU			SUBARU			SUBARU		
			FORESTER					
			4-DR AWD 5-SP CA					
			4-DR L AWD 5-SP CB					
			4-DR L AWD AUTO CC					
			4-DR S AWD 5-SP CD					
			4-DR S AWD AUTO CE					
			4-DR S C/PKG AWD 5-SP CF					
			4-DR S C/PKG AWD AUTO CG					
SUZUKI			SUZUKI			SUZUKI		
GRAND VITARA			SIDEKICK			X90		
4-DR 2WD HARDTOP JS 5-SP LFN86F			4-DR 2WD HARDTOP SPORT JS 5-SP LSL77C			2-DR 2WD AUTO LCC694		
4-DR 2WD HARDTOP JS AUTO LFN89F			4-DR 2WD HARDTOP SPORT JS AUTO LSL78C					
4-DR 2WD HARDTOP JS PLUS 5-SP LFN86T								
4-DR 2WD HARDTOP JS PLUS AUTO LFN89T								
4-DR 4WD HARDTOP JLX 5-SP LJN86F								
4-DR 4WD HARDTOP JLX AUTO LJN89F								
4-DR 4WD HARDTOP JLX PLUS 5-SP LJN86T								
4-DR 4WD HARDTOP JLX PLUS AUTO LJN89T								



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TRUCKS
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DECEMBER 31, 1998			DECEMBER 31, 1997			DECEMBER 31, 1996					
MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE	MDL	BODY STYLE	MAKE	CODE
TOYOTA			TOYOTA			TOYOTA					
LAND CRUISER				RAV4				4RUNNER			
WAGON AUTO		6156		2WD 2-DR SOFT TOP 5-SP	4415			2WD 4-DR SR5 V6 AUTO		8642	
SIENNA				2WD 2-DR SOFT TOP AUTO	4414			2WD 4-DR SR5 V6 LTD AUTO		8648	
4-DR CARGO VAN AUTO		5362		4WD 2-DR SOFT TOP 5-SP	4425			2WD 4-DR BASE 4CYL 5-SP		8641	
5-DR MINIVAN CE AUTO		5324		4WD 2-DR SOFT TOP AUTO	4424			2WD 4-DR BASE 4CYL AUTO		8640	
TACOMA PICKUP				SIENNA				4WD 4-DR BASE 4CYL 5-SP		8657	
2WD PRERUNNER REG CAB AUTO		7132		4-DR MINIVAN CE AUTO	5322			4WD 4-DR BASE 4CYL AUTO		8658	
2WD PRERUNNER XTRACAB 4-CYL 5-SP		7162		4-DR MINIVAN LE AUTO	5332			4WD 4-DR SR5 V6 5-SP		8665	
2WD PRERUNNER XTRACAB V6 AUTO		7164		5-DR MINIVAN LE AUTO	5334			4WD 4-DR SR5 V6 AUTO		8664	
				5-DR MINIVAN XLE AUTO	5344			4WD 4-DR SR5 V6 LTD AUTO		8668	
VOLKSWAGEN			VOLKSWAGEN			VOLKSWAGEN					
EUROVAN								RAV4			
CONVERSION VAN AUTO		7DH1L3						2WD 2-DR 5-SP		4413	
VAN GLS AUTO		7DC2L3						2WD 2-DR AUTO		4412	
VAN MV AUTO		7DCML3						2WD 4-DR 5-SP		4417	
								2WD 4-DR AUTO		4416	
								4WD 2-DR 5-SP		4423	
								4WD 4-DR 5-SP		4427	
								4WD 4-DR AUTO		4426	
								TACOMA			
								2WD REG CAB 5-SP		7103	
								2WD REG CAB AUTO		7104	
								EUROVAN CAMPER			
								CONVERSION-READY VAN			
								2-SEAT AUTO		7DW1L3	



