



## 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. INDEX OF ALL ARTICLES IN LIFO LOOKOUT FROM 1991-1999 IS NOW AVAILABLE.** With our last issue, we completed the 9<sup>th</sup> year of publishing the *LIFO Lookout*.

How time flies!

We have compiled an index of all articles in the *Lookout* through December, 1999. This *Index of Articles* has fourteen sections. In addition to listing all articles by subject, there are *Finding Lists* for all the tax cases, IRS Coordinated Issue Papers, Field Service Advice Memoranda, Letter Rulings (including TAMs), Revenue Rulings, Revenue Procedures and the **PRACTICE GUIDES** that have supplemented various articles. See pages 14-15 for an idea of what this index is like.

The easiest way to obtain a copy of the entire *Index of Articles* is to request via phone, fax or e-mail that the Word® document be sent via e-mail to you. Or, we can send you a copy by fax or U.S. mail immediately. As always, we appreciate any comments or constructive criticism you may have.

**#2. OUR FIRST "CARTOON" IN 10 YEARS.** A little humor once in a while shouldn't hurt. Is truth stranger – or funnier – than fiction? You be the judge.

One of our readers recently sent us a document request that was received from the IRS for a client under audit. If you've been sweating the conformity requirement for longer than you care to remember, you'll find something to smile about on page 36.

**#3. MOUNTAIN STATE FORD TRUCK SALES & THE USE OF REPLACEMENT COST FOR PARTS INVENTORIES.** The debate and uncertainty continues over whether dealers can use the replacement cost method for valuing their parts inventories. As you might expect, according to the IRS and the Tax Court, there shouldn't be any question at all. It's an open and shut case and the answer is ... **"NO!"**

### LOOKOUT LOOKS INTO

LIFO UPDATE .....	1
MOUNTAIN STATE FORD TRUCK SALES, INC. & THE USE OF REPLACEMENT COST FOR VALUING PARTS INVENTORIES ... SOME RECENT DEVELOPMENTS .....	4
FORMS 970 AND 3115 ... SELECTED RECENT HAPPENINGS .....	10
CONDITIONS FOR OBTAINING PERMISSION TO MAKE AND FILE "LATE" ELECTIONS .....	11
THE IPIC METHOD DOES NOT PRECLUDE LINK-CHAIN COMPUTATIONS .....	12
A LOOK AT OUR 1991-1999 INDEX OF ARTICLES .....	14
NEW ITEM REPORT FOR 1999 CALENDAR YEAR DEALERS 1999-2000 MODELS IN DEC. 1999 INVENTORIES 1997-1998-1999 COMPARATIVE LISTS .....	16

Now, Mountain State Ford has filed its appeal with the U.S. Court of Appeals for the Tenth Circuit in Denver. A few other developments have occurred, and we'll try to bring you up-to-date on some of them on page 4.

**#4. DO YOU REMEMBER CONSOLIDATED MANUFACTURING, INC. – THE CORE REMANUFACTURER?** In the September, 1998 *LIFO Lookout*, we discussed this case in detail. The IRS, with the approval of the Tax Court, disallowed the taxpayer's LIFO election because it had excluded certain inventory from its LIFO election.

The taxpayer chose to exclude used cores, used engines and other used parts from its LIFO election and valued them at scrap or salvage value. In the opinion of the IRS, Consolidated was trying to double-dip and get around the prohibition in the Regulations against taking writedowns on inventory that should have been placed on LIFO. So the Service threw out the LIFO election entirely, and the Tax Court agreed.

see LIFO UPDATE, page 2

Consolidated Manufacturing recently filed its appeal to the Tax Court's decision. Coincidentally, or ironically, its appeal was also filed to the 10<sup>th</sup> Circuit, and it seeks to overrule the decision in its case which was made by the same judge who decided the *Mountain State Ford* case. The Appellate brief filed by Consolidated makes for some very interesting reading.

*Consolidated Manufacturing, Inc.* has great significance in its own right...because of the definition of *goods* issue. And it has even broader significance as it relates to the use of components-of-cost methods by a universe of manufacturers. As if all of this is not enough, many parallels exist with the *MSFTS*-replacement cost issue because in *Consolidated*, the IRS challenged a long-standing industry practice followed by core remanufacturers, and the IRS was upheld by the Tax Court.

*Consolidated Manufacturing, Inc.* has beaten *Mountain State Ford* to the punch in filing an appeal to the 10<sup>th</sup> Circuit over a Tax Court decision involving a taxpayer who was consistently following a standard industry-wide practice.

It's obvious that the time frame that bears on how the *MSFTS*-replacement cost issue will be resolved by the Appeals Court is clearly impacted by the fact that the same Appeals Court will be hearing the appeal of *Consolidated Manufacturing, Inc.* **before** it hears and decides the *MSFTS* appeal.

So we're going to watch the *Consolidated* case carefully, because it has the triple play potential to knock out three classes of LIFO taxpayers with one swing of the gavel.

**#5. IRSPROHIBITSANOTHERMANUFACTURER'S USE OF THE COMPONENTS-OF-COST METHOD.** There's still more on the debate over the use of the components-of-cost method. Note that this debate over whether C-O-C methods may be used is very much intertwined with the issues in the *Consolidated Manufacturing, Inc.* case which is now on appeal as noted above.

In Field Service Advice 200010009, dated Nov. 12, 1999, the IRS expressed its opposition to the use of a components-of-cost method which it said the manufacturer was not properly employing. The IRS said that the C-O-C method did not "clearly reflect income" because it did not take into account efficiency gains in labor and in overhead that the manufacturer had experienced.

For manufacturers who use C-O-C methods in their LIFO calculations, this adds to what some see

on the horizon as another major storm that could affect another large universe of taxpayers.

We will follow up on FSA 200010009 in a subsequent issue.

**#6. FORMS 970 AND 3115...SELECTED RECENT HAPPENINGS.** On page 10, we've discussed a pair of Letter Rulings in which the IRS National Office granted extensions of time to file Forms 970 which should have been included in the initial year LIFO tax returns. For whatever reason, they had been overlooked.

In addition, we've pulled out a pair of ILMs which illustrate an interesting fact some folks may not be aware of: When a Form 3115 has been filed and it is withdrawn by the taxpayer, or the IRS issues an adverse holding, the District Director (Chief, Examination Division) is often alerted to this event by the National Office.

**#7. LINK-CHAIN METHOD CAN BE USED WITH IPIC METHOD.** Published Field Service Advice continues to provide interesting insights into the IRS thinking on some really technical LIFO questions. In FSA 200004008, the National Office FSA Group came out with a liberal interpretation that will be of interest to businesses using the *Inventory Price Index Computation* (i.e., the IPIC) method described in Reg. Sec. 1.472-8(e)(3).

In this FSA, the IRS allowed a retail grocer to use a weighted arithmetic mean developed from the end-of-the-year inventory values in its calculations...and it also allowed the grocer to use the link-chain method in computing the LIFO value for its dollar-value pools. For more on this, see page 12.

**#8. MORE CHANGES IN PROCEDURES FOR REQUESTING CHANGES IN ACCOUNTING METHODS.** Revenue Procedure 99-49 issued late last year has updated procedures to be followed by taxpayers in obtaining automatic consent to change certain accounting methods. As a result, Revenue Procedure 98-60 has been modified, clarified, amplified, etc. as has been certain sections of Rev. Proc. 92-67 and 99-17.

These changes are effective for tax years ending on or after December 31, 1999, and special transition procedures are in place if change requests were pending in the National Office on the "magic date."

For LIFO taxpayers, there appear to be no overall or earth-shaking changes in the procedures, but some of the changes will affect certain taxpayers who have special circumstances.



**#9. CONFUSION OVER PT CRUISER CLASSIFICATION FOR DEALERS USING THE ALTERNATIVE LIFO METHOD.** Is DaimlerChrysler's new *PT Cruiser* a car or a truck? The answer would make Darwin proud: It's both, depending on whose press clippings or news releases you're reading. The U.S. Environmental Protection Agency and the National Highway Traffic Safety Administration have issued conflicting opinions/rulings on whether the PT Cruiser is a car or a truck.

According to the EPA, which is responsible for certifying that new vehicles are not going to pollute the atmosphere too much, the PT Cruiser is a **car**.

According to the NHTSA, which is responsible for overseeing the CAFE (Corporate Average Fuel Economy) rules, the PT Cruiser is a **truck**.

There's a lot at stake in the outcome because DaimlerChrysler is hopeful that its relatively fuel-efficient PT Cruiser will help it meet the minimum 20.7 miles per gallon requirement for its overall **truck** line. If D/C is allowed to treat the PT Cruiser as a truck for CAFE MPG computation purposes, the Cruiser's estimated 20-26 MPG would significantly off-set the far lower fuel-(in)efficiency of D/C's other trucks.

These conflicting classification rulings by the EPA and the NHTSA may also create some confusion for LIFO computations under the Alternative LIFO Method. The PT Cruiser either goes into the new autos pool or it goes into the new light-duty truck pool.

The determination for Alternative LIFO Method pooling purposes should follow the standard industry

classification, rather than that made by special Federal agencies.

Our feeling is that D/C's Neon-based PT Cruiser belongs in the new automobiles pool for LIFO purposes... but, stay tuned...we're flexible.

Incidentally, we have always found the German language to be full of challenging and tricky pronunciations, umlauts and symbols. A friend fluent in German recently told us that since the merger of Daimler and Chrysler, the preferred pronunciation for the resulting new name – *DaimlerChrysler* – is to stress the "Daimler" and that the "Chrysler" is silent. (See the first sentence in Update, #2.)

**#10. NEW ITEMS FOR DECEMBER 31, 1999 YEAR-END LIFO COMPUTATIONS ... 1997-1998-1999 COMPARATIVE LISTS.**

We are pleased to continue a regular *LIFO Lookout* 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 18, and we have also included our own new item determinations for the comparable previous two years ending December 31, 1997 and 1998. 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, 1999.

These lists are prefaced on pages 16-17 by a few comments and observations. We'd appreciate knowing if you have any strong feelings about some of our new item conclusions. \*



**De Filippis' LIFO LOOKOUT**  
 Willard J. De Filippis, CPA, P.C.  
 317 West Prospect Avenue Mt. Prospect, IL 60056  
 (847) 577-3977 FAX (847) 577-1073  
 INTERNET: <http://www.defilippis.com>

Published Quarterly  
 March, June, September  
 and December  
 \$395

Start my subscription for the next four issues of the *LIFO Lookout* with the \_\_\_\_\_ issue.

**YES!** My check for \$395 is enclosed for 4 issues.

Back issues of the *LIFO Lookout* are available for \$70 each. Please send me:

- |       |                                       |  |                                       |                                       |
|-------|---------------------------------------|--|---------------------------------------|---------------------------------------|
| 2000: | <input type="checkbox"/> 1Q (Mar '00) | <input type="checkbox"/> 2Q (June '99) | <input type="checkbox"/> 3Q (Sep '99) | <input type="checkbox"/> 4Q (Dec '99) |
| 1999: | <input type="checkbox"/> 1Q (Mar '99) | <input type="checkbox"/> 2Q (June '98) | <input type="checkbox"/> 3Q (Sep '98) | <input type="checkbox"/> 4Q (Dec '98) |
| 1998: | <input type="checkbox"/> 1Q (Mar '98) |  |                                       |                                       |

Prior years 1991 through 1997 also available

NAME(S): \_\_\_\_\_

FIRM NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_ PHONE: (\_\_\_\_) \_\_\_\_\_

# MOUNTAIN STATE FORD TRUCK SALES, INC. & THE USE OF REPLACEMENT COST FOR VALUING PARTS INVENTORIES

**MSFTS  
& PARTS  
UPDATE**

The controversy continues – some would say it has even intensified – over whether dealers can use replacement costs for valuing their parts inventories. According to the IRS and the Tax Court, dealers have to use AC (actual cost) and not RC (replacement cost) for valuing their parts inventories.

Readers of this publication are aware that I have expressed my opinion that the judge was wrong ... and that ... NADA really shouldn't be helping the IRS clean up its own mess. Without wanting to sound "Zieglerian" (those of you who read *Dealer Magazine* know what I mean by this), I felt all along that NADA really should stand firm against the IRS, and fight it tooth and nail ... instead of submitting proposals that try to get around what the judge said in her opinion. After all, what if *Mountain State* were to appeal ... and win! What if the Appeals Court reverses the Tax Court and applies more common sense than did the IRS and the Tax Court in dealing with this matter?

I recently expressed guarded optimism that the IRS and the Tax Court might be forced to back off their opposition to the use of replacement cost. Part of that optimism was based on the Appeal Court's decision in *LaCrosse Footwear* as a "timely illustration of common sense prevailing when a higher Court reverses the error in a lower Court's decision" (see Update item #5, September, 1999 *LIFO Lookout*).

That said, several current developments involving MSFTS can now be reported.

## APPEALS TO THE 10<sup>TH</sup> CIRCUIT

First, *Mountain State Ford Truck Sales* has appealed the Tax Court's decision to the U.S. Court of Appeals for the Tenth Circuit in Denver. Second – but really ahead of MSFTS if any kind of time-line can be laid over things like this – is the fact that *Consolidated Manufacturing, Inc.* has also filed an appeal to the 10<sup>th</sup> Circuit over the Tax Court's decision (by the same judge) in its case where *Consolidated* was using another standard industry-wide practice which had some 40 years of acceptance behind it.

As was observed on page 2, the *Consolidated Manufacturing* case is important because of the definition of *goods* issue...and because it relates to the use of components-of-cost methods by a universe of manufacturers. In addition, many parallels exist with the MSFTS-parts replacement cost issue

because in *Consolidated Manufacturing, Inc.*, the IRS upset another industry-wide practice and was supported by the Tax Court.

Accordingly, it's obvious that the time frame that bears on how the MSFTS-replacement cost issue will be resolved by the Appeals Court is clearly impacted by the fact that the same Appeals Court will be hearing the appeal of *Consolidated Manufacturing, Inc.* **before** it hears and decides the MSFTS appeal.

## NADA PROPOSALS

In the meantime, NADA has submitted a series of proposals for consideration by the IRS. These proposals suggest "compromise" methods which would permit an actual cost-mutation (i.e., reasonable approximation or estimation) based on a rather general and unstratified computation of the estimated overall inventory turn. It appears the IRS is at least not completely rejecting these proposals out-of-hand. After all, even the IRS by now knows that there is no way to compute actual cost for a parts inventory.

Readers can obtain copies of NADA's *Draft Proposals For Consideration in Implementing the U.S. Tax Court's Decision in the Mountain States (sic) Ford Case* directly from NADA. As mentioned above, NADA proposals essentially would compute a single overall average parts inventory turnover rate as the key component in an adjustment to reduce the replacement cost valuation of the parts inventory to its surrogate cost equivalent. This draft proposal bears a February 4, 2000 date.

In addition, NADA has also suggested that dealerships using LIFO for their parts inventories be permitted to file a Form 3115 to elect to terminate their LIFO elections for their parts inventories. In connection with this proposal, NADA urged that (1) dealers not be required to obtain permission from the IRS to terminate further use of the LIFO method for parts, and (2) dealers be permitted to continue using LIFO for any inventories of new and/or used vehicles for which LIFO elections are currently in place.

In a separate submission to the IRS, NADA suggested that the IRS include the resolution of this issue on its list of items for guidance in the year 2000.

## IRS PRIORITY GUIDANCE PLAN FOR THE YEAR 2000

The IRS recently released its *IRS 2000 Priority Guidance Plan for Tax Regulations and Other Ad-*

→



*ministrative Guidance*. This was issued as a joint statement by Jonathan Talisman, Acting Assistant Secretary (Tax Policy) U.S. Department of the Treasury and Charles O. Rossotti, Commissioner of the Internal Revenue Service.

Messrs. Talisman and Rossotti describe the *Priority Guidance Plan* as "Quite ambitious," since it contains 243 guidance projects. They also explain that the *Plans* should not be viewed as an *exclusivist* list of the guidance that may be published this year.

The *IRS 2000 Priority Guidance Plan* is divided into several sections including: (1) Consolidated returns, (2) Corporations and their shareholders, (3) Employee benefits, (4) Partnerships, (5) Sub-chapter S, (6) Tax accounting and (7) Tax administration. The "Tax accounting" division includes a list of 21 items. The 19<sup>th</sup> entry is: "Proposed regulations under section 472 regarding the dollar-value LIFO inventory method," and the 20<sup>th</sup> entry is "Guidance under section 472 regarding valuation under the LIFO inventory method."

Apparently, the valuation of parts inventories using replacement cost issue comes in under the 20<sup>th</sup> entry (or maybe the 19<sup>th</sup>). However, nowhere is the use of *replacement cost* mentioned specifically.

It is interesting to note that the National Office intends to confine or limit its attention to the use of replacement cost in the more narrow context of the LIFO regulations, rather than in the broader context of the overall Section 471 inventory regulations where Judge Chiechi said it belonged. Could it be that Treasury is fearful of huge refunds as other industries reduce replacement cost valuations to actual cost?

#### **ANOTHER POSSIBLE REMEDY ... LIKE THE NOTRE DAME HAIL MARY PASS**

Some of you might be wondering: "Well, De Filippis, if you're so strongly set against what NADA is trying to do, what have you done lately ... have you put your money where your mouth is?" The answer is a "yes" of sorts. However, I have applied my efforts in the direction of trying to convince the Office of the Citizens Taxpayer Advocate that it would be appropriate to seek a legislative remedy to this problem by including it as one of the items on the annual list that the Taxpayer Advocate is empowered to submit directly to Congress ... without first getting any IRS opinion on whether or not the change might be warranted.

Apparently, there is something about the consequence of the fox guarding the hen house that Congress, in its infinite wisdom, sought to avoid when it empowered the Taxpayer Advocate to bring

**directly** to its attention those matters which were deemed appropriate for this "fast track" approach. On page 6, you'll find our letter to Mr. Val Oveson pleading the case.

#### **WHERE HAVE SOME PEOPLE BEEN ALL THIS TIME?**

Some IRS personnel have attempted to justify the slow pace of IRS deliberation on this issue by stating that "the Service" was just now realizing how significant and widespread the use of the replacement cost method really is.

Readers of this publication know that over 5 years ago, we called your attention to this fact of life. The widespread impact of this decision—both dealer industry-wide, and as it extends to other industries—comes as no surprise to anyone working out in the real world. For what we said back then, see page 9.

#### **CONFERENCE REMARKS**

At recent gatherings and conferences, representatives of the IRS, NADA and others have presented their views on the replacement cost issue. Audio tapes of the AICPA Conference in Las Vegas last October are available to anyone who cares to buy and listen to them.

Most interesting was the statement by Leslie J. Schneider, the attorney who represented *Mountain State Ford* in the Tax Court. He is acknowledged by many as the foremost LIFO authority in the country. Here's what he said: "...Nobody in America is using actual cost...and this case (i.e., *MSFTS*) was decided on a lack of understanding of that fact."

At the same conference, within minutes, here's a paraphrasing of what Mary Baker of the IRS said: "...The Service can't look at the issues in a vacuum ... they have to be looked at across the board," and the IRS mission of fairness and consistency to all taxpayers has to be taken into consideration in any resolution. (O.K....apply it to *EVERYBODY*.)

#### **DON'T HOLD YOUR BREATH**

Why should the IRS National Office have any reason to be in a hurry to placate NADA or others using replacement cost until it knows whether the Tax Court's decision will stand up in the Appeals Court? Right now, it enjoys the upper hand. So, why should it concede anything? ... unless it thinks it will lose at Appeals... in not just one case, but two.

We all know this will take years to play out while all the lawyers do their jobs...unless Congress chooses to quickly put an end to things by simply changing the law. \*





# Willard J. De Filippis, CPA, P.C.

317 WEST PROSPECT AVENUE MT. PROSPECT, ILLINOIS 60056

PHONE (847) 577-3977 FAX (847) 577-1073

<http://www.defilippis.com>

[cpawjd@aol.com](mailto:cpawjd@aol.com)

February 16, 2000

Mr. W. Val Oveson  
Taxpayer Advocate Service  
1111 Constitution Avenue, NW  
Room 3017  
Washington, D.C. 20224

Dear Mr. Oveson:

Per my conversation with Duane Thomas last week (February 10), I am writing about a matter that I believe warrants action by you and your Advocacy Group on behalf of the more than 25,000 automobile and truck dealers in the United States.

## **AN OVERVIEW OF THE PROBLEM**

This matter has to do with the significantly disruptive consequences of a case recently decided in the Tax Court, *Mountain State Ford Truck Sales*. In this case, the Tax Court upheld the IRS in disallowing the use of the replacement cost method for valuing the taxpayer's parts and accessories inventories. Although this case involved a very technical LIFO (Last-In, First-Out) inventory election, *it will directly affect every one of the 25,000+ automobile and truck dealers in the United States.*

All automobile and truck dealers are affected by this uncertainty over how Internal Revenue Code Section 471 should be interpreted. This is because every one has always been forced to use a replacement cost (manufacturers' price list) method for approximating the cost of their parts and accessories inventories. These inventories typically consist of several thousand parts, and no dealer has ever been able to compute actual cost for its parts inventory. Therefore, *all dealers will be directly affected regardless of whether or not they use LIFO for valuing their parts inventories.* This is clear from what the Tax Court said in *Mountain State Ford* in its analysis of Sections 471 and 472.

Although this adverse decision may be appealed by the taxpayer, the Internal Revenue Service has indicated that it will continue to raise this issue in ongoing audits of automobile and truck dealers.

All of the confusion, business disruption and excessive accounting costs to comply with this holding can be avoided - very simply - if you will ask Congress to make the necessary clarification to Code Section 471. That clarification would be to affirmatively allow or permit the use of replacement cost for valuing the parts and accessories inventories of these dealers.

## **NO DEALER HAS EVER BEEN ABLE TO COMPLY WITH THE REQUIREMENT TO USE ACTUAL COST FOR PARTS**

In this case, the Court pointed out that when Mountain State Ford adopted the LIFO method, it 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 the parts inventory. Also, Mountain State Ford did not determine whether it could have created a new recordkeeping system. One of the Mountain State owners testified that replacement cost had been utilized by Mountain State previously, and that it did not consider using any other method than replacement cost when it elected the LIFO method.

If Mountain State Ford had initiated the inquiries suggested by the Court, it would only have been confronted with the obvious: No such method or software for determining actual cost existed at that time. Nor does it yet today, some 20 years later. Since the technology and/or other means to do the job did not exist, how can the taxpayer be faulted for not wasting time and money trying to find them?

(continued)





The National Automobile Dealers Association (NADA) and the IRS during the last two and one-half years *still* have not been able to find, ferret out or come up with a single automobile or truck dealer in the country who has been able to use the actual cost method for parts inventories. In the whole haystack, there is no needle to be found! It simply doesn't exist!

This fact certainly vindicates Mountain State Ford - and all others like it - and it confirms without any doubt that the only "decision" *Mountain State Ford* could have reached was to continue to use replacement cost in connection with making its LIFO election. It is interesting to note that before this case arose, the IRS in a 1975 Letter Ruling simply recognized the need for consistency in the application of the replacement cost method between the last non-LIFO year parts inventory valuation and the first LIFO year valuation; it did not quarrel with the use of the replacement cost method.

**ALL CONTRACTS WITH MANUFACTURERS REQUIRE  
THE USE OF REPLACEMENT COST FOR VALUING PARTS INVENTORIES**

Another real-world problem has been totally overlooked by the IRS. It, too, is likely to create additional significant confusion. If replacement cost is really going to become the only acceptable industry-wide standard for income tax purposes, what is to be done about the fact that *all manufacturers currently require all automobile and truck dealers to use replacement cost for parts* in their accounting systems, procedures and financial statement reporting?

Imagine the confusion and wasteful effort if two methods are now mandated for dealers' parts inventory accounting: One required by the Internal Revenue Service for income tax purposes, and the other required by the manufacturers for financial statement reporting purposes.

The Tax Court did not address the questions of whether the use of replacement costs under the LIFO method complies with Generally Accepted Accounting Principles (GAAP) and conforms as nearly as may be to the best accounting practice in the industry. Note 6 in the *Mountain State Ford* decision explained that "the Court's resolution of the disagreement between the parties about the *clear reflection of income* standard makes it unnecessary for us (i.e., the Tax Court) to address the parties' and their respective experts' dispute over GAAP."

For as long as these tax Code sections have been in existence, replacement cost has been the "only" accounting practice that the industry has used ... or been able to use ... for parts inventories. This has again been consistently and conclusively demonstrated over the last two years in all the intense discussions between the IRS and the industry representatives. I was one of the expert witness in the *Mountain State Ford* case and testified that, in my opinion, the use of replacement cost for valuing parts inventories constituted (i.e., was in accordance with) Generally Accepted Accounting Principles.

**ACCEPTANCE BY THE IRS FOR DECADES,  
NOW "SUDDENLY" A CHANGE OF MIND ... WHY?**

Until the *Mountain State Ford* case emerged, it is clear that over the past 25 years, the IRS generally found no reason to make a mountain out of a molehill over a dealer's use of the replacement cost method for parts inventories.

Documents now available under the Freedom of Information Act show that for almost 25 years the IRS National Office and the IRS Field Service Division have, in practice, allowed dealers to use replacement cost for parts inventories, knowing full-well this was not an actual cost method.

As mentioned above, in 1975, the IRS had no problem with the replacement cost method as evidenced by Letter Ruling 7503130350B. Almost 15 years later, it repeated the same acceptance in Technical Advice Memorandum 8906001. More recently (circa 1992), even the IRS Field Service Division said that it would accept the use of replacement cost in its Field Service Advice 1999-501.

**CONGRESSIONAL INTENT: WHAT DID CONGRESS REALLY MEAN? WHO REALLY KNOWS?**

The issue addressed by the Tax Court narrowed down to: Does *cost* mean *actual cost* in each and every instance, wherever that term is used? Without any clear manifestation of Congressional intent on this specific question, I believe the Court erred and that it should have given greater deference to a more reasonable assumption of Congressional intent that would permit the use of the replacement cost method under the circumstances.

The Court said that "If Congress had intended for the term *cost* in LIFO inventory tax accounting to have a meaning different from that regulatory definition (i.e., actual cost), it would have so stated." With all due respect, I do not think this issue should be decided based on that technicality when no taxpayer in America has ever been able to use the more

(continued)



exacting method the IRS advocates. Isn't the IRS position on this totally unrealistic and out-of-touch with the business world *customers* the IRS is supposed to be interested in *servicing*?

I believe that Congress - in the overall scheme of things - never even remotely considered the ramifications of the application of an actual cost standard in the context of the fact pattern presented by a dealer's parts inventory. If it had, I believe that Congress would have been more pragmatic and flexible...and less perfectionistic and absolute...than the Court inferred them to be. After all, the entire industry from its inception has been unable to come up with a reasonable way to make those calculations. *Furthermore, the replacement cost method was being used by every dealer in the Country at the very time when Congress was writing the Code sections which the IRS and the Tax Court are now trying to interpret.* Shouldn't that fact be given any weight?

### THE IRS & THE TAX COURT'S UNREALISTIC PURSUIT OF PERFECTION

The Tax Court in *Mountain State Ford Truck Sales* also said that, *until Congress changes the Internal Revenue Code*, actual cost must be used for valuing parts inventories. Even some individuals in the IRS appear to be a little uncomfortable with this because the Judge said that the Service has no alternative but to enforce the Code as it is written (based on her interpretation).

In Note 12 to the decision, the Court put the IRS in the Pandora's box that, all by itself, it chose to open. In part, Note 12 says that the "Respondent (i.e., the IRS Commissioner) has no discretion to deviate from the requirements of the Code and the Regulations even if such requirements were to impose administrative burdens on *Mountain State Ford*." Well, if that really is the case...by that I mean, if the taxpayer appeals and loses at Appeals, then wouldn't a more sensible, long-term course of action be for NADA or some other group of dealers to lobby Congress and request it to abandon this unrealistic requirement? (Or to seek intervention on their behalf by the Taxpayer Advocate Service?)

With the use of replacement cost now ruled out, the IRS is pushing for software to be created for dealers so they can value their parts inventories at actual cost. In this regard, the National Automobile Dealers Association (NADA) recently submitted several alternative computational suggestions to the IRS. All of these "suggested approaches" fall short of the mark ... and do not comply with the Tax Court's ruling. In fact, the more practical NADA's suggestion, the less in compliance it is with the Court's ruling.

Requesting Congress to make a simple change in the law makes more sense than forcing all taxpayers in many industries to wait for software to be developed. Any software developed will ultimately, at best, only be able to come up with more refined estimates of actual costs ... under the pretense of really tracking actual costs. Furthermore, the business of developing software today consists of releasing programs that its creators hope will work and then debugging them later as complaints over what the programs are not doing correctly come (pouring in) from the users. So, in the end, pinning one's hopes on "new software" is not likely to produce the perfect results demanded by the Tax Court's interpretation of the law.

### IN CONCLUSION

The lawyers for the IRS and for NADA are too closely involved with the technicalities to see the forest for the trees. Any rational bystander considering the broader perspective can see that this is a controversy (over a technicality) that is wasteful to pursue.

I heard you speak recently (January 11) at the Illinois CPA Society Tax Practice and Procedures Conference in Rosemont, IL. I was very impressed with what you said about your duties and your ability as National Tax Advocate to go *directly to Congress with recommendations for changes* in the Internal Revenue Code in cases where you believe such changes are in the best interest of the tax collection system.

A simple change in the Code by Congress could immediately end this relentless pursuit of perfection by the IRS (and now the Tax Court) over a really minor technicality. All Congress would have to do is to make a simple clarification to exclude the requirement to use actual cost from applying to automobile and truck dealer parts inventories. This would solve the problems and eliminate years of uncertainty for the 25,000 auto and truck dealers on whose behalf I am writing.

I have enclosed several articles to provide additional background on this issue:

1. *The Mountain State Ford Tax Court decision* (from the March, 1999 *LIFO Lookout*, pages 3-14.)
2. Information showing the IRS acceptance of replacement cost in the past (from the June, 1999 *LIFO Lookout*, pages 24-27.)
3. An article expressing my opinion on the confusion created by the *Mountain State Ford Tax Court decision* (from the June, 1999 *LIFO Lookout*, pages 20-23.)

(continued)





4. An analysis of the IRS Technical Advice Memorandum issued in 1994 (LTR 9433004) which preceded the Tax Court case (from the Sept., 1994 *LIFO Lookout*, pages 3-8.)

I would be pleased to discuss this matter with you or any of your representatives at your convenience.

Thank you for the opportunity to submit this critical matter which affects a broad universe of U.S. taxpayers for your consideration.

Sincerely,

Willard J. De Filippis, CPA

**OUR WARNING OVER 5 YEARS AGO**

**ABOUT THE IMPACT OF THE REPLACEMENT COST ISSUE \***

"One currently brewing development may surprise thousands of businesses using replacement cost accounting for their parts-type inventories. Major users of replacement cost include distributors and wholesalers of plumbing, electrical, heating, air conditioning, lighting and a long list of other suppliers. In addition, the development will affect thousands more using replacement cost accounting in some form for relatively small parts inventories. And many of these businesses may not even be using LIFO to defer their year-end taxes.

"We see this as an issue of potentially *Thor*-type magnitude. If a relatively small number of LIFO taxpayers are disadvantaged temporarily by the IRS' successful attack on the use of replacement cost, thousands of other non-LIFO taxpayers will be able to file claims for refunds or Forms 3115 to change inventory valuation methods consistent with the Service's disallowance of the use of replacement cost for parts-type inventories.

"Here is the general fact pattern: Most businesses do not value their parts-type inventories at year-end - or at any other time for that matter - by using specific cost or even perpetual cost accounting information. That is simply not practical. Instead, they use a replacement cost approach for valuing their inventories which consist of many thousands of items by reference to manufacturer price lists in effect at the end of the year or by reference to the most recent vendor invoice cost, regardless of the quantity purchased (and in some cases, even regardless of whether there were any purchases of that item during the year). In inflationary times, inventories valued using replacement cost accounting are somewhat overstated, and this means income taxes are being paid *in advance*.

"The current challenge by the IRS to the use of replacement costs in LIFO situations is not limited to the narrower issue of whether replacement cost is appropriate as an "other" method for valuing increments. Instead, the issue has been broadened more technically to question whether the use of replacement cost is acceptable for income tax purposes, notwithstanding its acceptance for Generally Accepted Accounting Purposes (GAAP) and its consistent use by all businesses within a taxpayer's particular industry.

"It is our understanding that a Letter Ruling/TAM will soon be published involving a truck dealer's use of replacement cost for valuing inventories which will essentially knock out that accounting method and require that some other "actual" cost method be used instead. Upon publication under the Freedom of Information Act, this TAM will be thoroughly analyzed. ... (Note: this came to pass in LTR/TAM 9433004).

**COMMON SENSE & PRACTICALITY VS. 'TECHNICALITY'**

***"The Use Of "Replacement Cost" By Entire Industries Of Distributors, Wholesalers And Retailers To The Extent Of Their Parts Inventories Has Tremendous Overall Implications. ...***

"If the IRS prevails in its technical challenges to the use of replacement cost instead of actual cost, there may be a lot of work and even more Forms 3115 to be filed. Almost 15 years ago, Alan Silver said that 'a good case could be made that the Treasury would sooner give up 95% of its principles than 5% of its income.' If the IRS 'wins the war' on this issue, somebody in Congress may ask them if they ever thought that winning this argument was going to cost the Treasury so much money in the long run!"

\*Reprinted from the *LIFO LOOKOUT* June, 1994 (Vol. 4, No. 2, pg. 4).



# FORMS 970 AND 3115...SELECTED RECENT HAPPENINGS

Four recent IRS documents illustrate some basics that are often overlooked. In two letter rulings, the National Office granted taxpayers extensions of time to file Forms 970 which should have been included in the initial LIFO return years...but were not. Two other IRS Legal Memorandums involving 3115s filed with the National Office show how the IRS is quick to coordinate certain information back to the taxpayers' District Director.

## EXTENSIONS GRANTED TO FILE OVERLOOKED FORMS 970

LTR 200003036 (dated October 26, 1999) involved a situation where the taxpayer transferred assets, including inventory, to a newly formed partnership. Immediately before the transfer, the transferor had been using the LIFO inventory method. After the transfer, the transferee began to use the LIFO method for certain inventory items, including items transferred to it which previously were under the LIFO method. However, the transferee-partnership failed to attach a Form 970 to its initial partnership return. As we know, the filing of Form 970 is required to properly elect to use the LIFO method.

Subsequently, the partnership decided to file a Form 3115 to request a change in accounting method. During the process of preparing the Form 3115, it was determined that the Form 970 had not been attached to its initial partnership return. "This failure was not intentional, but was an oversight resulting from a change in personnel responsible for the preparation and review" of the initial tax return. Soon after discovering this oversight, the taxpayer filed a request for relief and an extension of time to file Form 970.

The other favorable ruling is LTR 200005024 dated Nov. 8, 1999. This one involved a parent-subsidary corporate group that failed to file Form 970 in the initial tax return filed by the subsidiary. The parent corporation had transferred various assets, including inventory, to its subsidiary in a non-taxable transfer under Code Section 351. Before the transfer, the parent had accounted for a portion of its inventory using the LIFO method. Following the transfer, the subsidiary continued to use the LIFO method for a portion of its inventory, including the items transferred to it by the parent which the parent previously had on LIFO. However, the parent failed to attach a Form 970 to its consolidated Federal income tax return for the year for the subsidiary to properly elect to use the LIFO method.

Revenue Ruling 70-564 holds that a new corporation that acquires inventory in a Section 351 trans-

fer must file a Form 970 in order to adopt the LIFO inventory method.

The parent corporation had an internal tax department responsible for the preparation and filing of its own corporate tax returns without review by an outside tax advisor. During a discussion of various tax matters with its outside tax advisor, the parent corporation determined that it should have filed a Form 970 on behalf of its subsidiary when the initial return for the subsidiary (which had been included as part of the consolidated return) was filed.

"This failure to file was not intentional, but was due to the fact that its internal tax personnel were not aware that a new subsidiary that acquires LIFO inventory in a Section 351 transaction must file a Form 970 to enable it to use the LIFO method. Soon after discovery of the need to file a Form 970, this request for relief was submitted" to the IRS National Office.

## THE LESSONS FROM THESE "OVERLOOKED 970" STORIES ARE SIMPLE

Both requests for extension had been filed under Regulation Section 301.9100. Under these LTRs, the taxpayers were granted extensions of time for a period of 30 days from the date of the IRS extension letter and were instructed to attach a copy of the ruling to the Form 970 when it was filed.

Don't ignore the very important requirement that Forms 970 need to be filed in almost every case. Further, in a situation where the Form 970 has been overlooked, remedial action should be taken immediately upon discovery. Revenue Procedure 92-85 applies in certain situations for bringing the situation to the attention of the IRS. Where Rev. Proc. 92-85 does not apply, Reg. Sec. 301.9100 takes over. (See facing page.)

It is instructive to observe the circumstances under which the oversights were discovered. In one case, the missing 970 was discovered years later in connection with filing Form 3115 with the IRS. In the other, the missing 970 became apparent in discussions with an outside tax advisor. Often where there is a change in CPA firms, the new CPA firm discovers the Form 970 oversight in reviewing the previous CPA's LIFO work.

Practitioners may want to adopt a simple internal policy that takes only a few seconds to implement. Simply require the signer of any tax return involving a LIFO election to "eye ball" a copy of the previously filed Form 970. Or, if the return is the initial tax return making a LIFO election, require the person signing

→



the tax return to also initial and date the copy of the Form 970 which is included in the copy of the tax return to be retained in the files.

**DON'T COUNT ON FORM 3115 INFORMATION FALLING BETWEEN THE CRACKS**

Often, things go on behind the scenes at the IRS and we're not aware of them. Two recent ILMs (IRS Legal Memorandums) illustrate one such behind-the-scenes process. Where requests for permission to change accounting methods are filed in the National Office, and they are either denied or withdrawn by the taxpayer (to avoid an adverse ruling), the District Director is usually notified or alerted to that fact.

In ILM 200003024 (dated October 22, 1999), the taxpayer withdrew the request for a change in accounting method because of "the long delay in processing the Form 3115." At the time the taxpayer withdrew its request for change, the ILM states "we had not formed a tentative position on taxpayer's proposed change ... However, ... we had advised taxpayer's authorized representative by letter dated (xx) that we had concerns about whether these

corrections are a change in method of accounting under Section 446(e) ..."

In contrast to the withdrawal situation, in ILM 199952010, the taxpayer's request for a change in method was simply denied.

Section 8.07(2)(a) of Revenue Procedure 99-1 provides: "Request to change an accounting method. If a taxpayer withdraws or the National Office declines to grant (for any reason) a request to change from or to adopt an improper method of accounting, the National Office will notify, by memorandum, the appropriate District Director and the Change in Method Issue Specialist, and may give its views on the issues in the request to the appropriate District Director to consider in any later examination of the return."

Both ILMs cited this Section as the basis for the action taken by the National Office. Each ILM was addressed to the *District Director: Attention Chief, Examination Division* where the taxpayer filed its return.

You can draw your own conclusions about what the District Director may do with this information. \*

**CONDITIONS FOR OBTAINING PERMISSION TO MAKE & FILE "LATE" ELECTIONS \***

**Under Reg. Sec. 301.9100-(c)**, the Commissioner has discretion to grant a reasonable extension of the time to make a regulatory election under all subtitles of the Code except subtitles E, G, H, and I, provided that the taxpayer acted reasonably and in good faith...and granting relief will not prejudice the interests of the Government. A regulatory election is an election whose due date is prescribed by a regulation published in the Federal Register, or a revenue ruling, revenue procedure, notice, or announcement published in the Internal Revenue Bulletin. An election for this purpose includes a request to adopt, change or retain an accounting method or accounting period.

**Reg. Sec. 301.9100-2** set forth rules governing automatic extensions for regulatory elections. If these provisions do not apply to a taxpayer's situation, the provisions of Reg. Sec. 301.9100-3 may apply.

**Reg. Sec. 301.9100-3** sets forth the standards that the Commissioner will use in determining whether to grant an extension of time to make a regulatory election. It also sets forth information and representations that must be furnished by the taxpayer to enable the Internal Revenue Service to determine whether the taxpayer has satisfied these standards. *The standards to be applied in this case are whether the taxpayer acted reasonably and in good faith and whether granting relief would prejudice the interests of the Government.*

**Under Reg. Sec. 301.9100-3(b)(1)(i)**, a taxpayer that applies for relief for failure to make an election *before the failure is discovered by the Service* ordinarily will be deemed to have acted reasonably and in good faith. However, pursuant to Reg. Sec. 301.9100-3(b)(3) a taxpayer will not be considered to have acted reasonably and in good faith if the taxpayer seeks to alter a return position for which an accuracy-related penalty has been or could be imposed under Section 6662 at the time the taxpayer requests relief and the new position requires or permits a regulatory election for which relief is requested or if the taxpayer was informed in all material respects of the required election and related tax consequences but chose not to file the election. *Furthermore, a taxpayer ordinarily will not be considered to have acted reasonably and in good faith if the taxpayer uses hindsight in requesting relief.*

**Reg. Sec. 301.9100-3(c)(1)(i)**, provides that the interests of the Government are prejudiced if granting relief would result in a taxpayer having a lower tax liability in the aggregate for all tax years affected by the regulatory election than the taxpayer would have had if the election had been timely made (taking into account the time value of money). Likewise, if the tax consequences of more than one taxpayer are affected by the election, the Government's interests are prejudiced if extending the time for making the election may result in the affected taxpayers, in the aggregate, having a lower tax liability than if the election had been timely made.

Further, the interests of the Government are ordinarily prejudiced if the tax year in which the regulatory election should have been made or any tax years that would have been affected by the election had it been timely made are closed by the period of limitations on assessment under Section 6501(a) before the taxpayer's receipt of a ruling granting relief under Reg. Sec. 301.9100.

**\* NOTE: SEE ALSO REVENUE PROCEDURE 92-85**



# THE IPIC METHOD DOES NOT PRECLUDE LINK-CHAIN COMPUTATIONS... FSA PROVIDES SOME ANSWERS

IPIC  
METHOD  
FSA

If you think the IPIC method is a fast and simple no-brainer, free of unresolved technical issues, you might want to think again. Among some of the issues are (1) whether arithmetic, harmonic or geometric mean values should be used in the computations, (2) whether double-extension or link-chain sub-methods should be employed in computing the LIFO value of the dollar-value pools, and (3) just how do you go about computing a "cost compliment?"

Another glitch frequently encountered by IPIC users was the subject of Update Item #7 (*LIFO Lookout*, September, 1998) which concerned what should be done when the BLS decides it's time to revise its CPI or PPI indexes. This was the subject of Revenue Procedure 98-49.

Despite these and other nettlesome irritations, the IRS generally prefers that taxpayers on LIFO use the IPIC method because at least the taxpayers can't bias or tinker with the computation of the inflation indexes because they are computed by, and come straight from, the Bureau of Labor Statistics.

The Commissioner will (1) accept the IPIC method as an **appropriate** method for computing LIFO indexes and (2) accept the results obtained under the IPIC method as being **accurate, reliable and suitable**.

## A FEW MORE BASICS

First, the abbreviation **IPIC** stands for the so-called **I**nventory **P**rice **I**ndex **C**omputation method described in Reg. Sec. 1.472-8(e)(3). Second, the taxpayer in this case was not an *eligible small business* that could use the Simplified Dollar-Value Method provided for in Section 474.

A taxpayer is an *eligible small business* for any taxable year if its average gross receipts for the three preceding years do not exceed \$5,000,000. What that really meant was that since the taxpayer was not an *eligible small business*, it could not use 100% of the BLS index. It could only use 80% of the BLS index.

Under the IPIC method, inventory price indexes are computed with reference to Consumer or Producer Price Indexes. The inventory items in each pool are classified according to the detailed listings in the appropriate tables of either the Consumer Price Index or Producer Price Index. The inventory items are assigned to various categories, and index categories are assigned to a pool or pools. Published

indexes and weights are used to compute the appropriate index **for each index category**. After that, an index is computed for the pool.

The key to properly using the IPIC method is that in computing the overall index for a pool, the taxpayer must weight the appropriate indexes for the separate index categories comprising the pool according to the taxpayer's actual inventory weights for such separate index categories.

## FSA 200004008

In recent Field Service Advice 200004008 dated October 12, 1999, the FSA Group liberally interpreted the IPIC regulations for a retail grocer. The IRS allowed the taxpayer to use a weighted arithmetic mean developed from the end-of-the-year inventory values in its calculations...and it also allowed the use of the link-chain method in computing the LIFO value for the dollar-value pools.

In this situation, the IRS had previously allowed the taxpayer to change its LIFO method to the IPIC method using the Consumer Price Indexes (CPI). Its calculations under that method used weighted arithmetic means in the process. In making its calculations under the IPIC method, the taxpayer first computed inflation by category by dividing the current year's CPI (after adjustments) by the beginning-of-the-year CPI (also after adjustments). The taxpayer then multiplied the resulting inflation for the category by the dollars in ending inventory for that category.

After that, the taxpayer added the results for all of its inventory categories and then divided the total inventory at current costs by the sum of this multiplication in order to arrive at the current year's index for the pool. This seems simple and straight-forward enough: the taxpayer was computing a "weighted arithmetic mean" based on end-of-the-year costs.

The general rules for dollar-value LIFO calculations require the double-extension of item categories and under LIFO methods that compute an *internal* index (double-extension or link-chain), the index computation procedure "automatically produces an appropriately weighted pool index." The FSA observes that when a taxpayer computes a LIFO pool index using an *external* index, as under the IPIC method, the taxpayer is still required to "weight the inflation rates to compute an appropriate composite pool index." Reg. Sec. 1.472-8(e)(3)(ii) requires that



the relative current-year costs be used to weight the applicable index.

The FSA says that the controlling regulation "... does not state whether to use an *arithmetic* mean or a *harmonic* mean to average the various indexes." The FSA concluded that "...absent a preference expressed in the Regulations, we believe that the regulation permits the use of a weighted *arithmetic* mean based on dollars in ending inventory." It added that ... "the Service's pronouncements in this area (Rev. Procs. 84-57 and 98-49) are consistent with this interpretation." Accordingly, the method the taxpayer used for determining its pool index by using the weighted arithmetic mean is permissible.

When harmonic means are computed, the reciprocals of the values are averaged. Therefore, the smaller natural numbers are given larger emphasis so that the harmonic mean of different values will be a lower value than either the arithmetic or geometric averages. (At least, this is what my college text, *Elementary Statistical Methods* by W.A. Neiswanger [The Macmillan Company, revised edition, 1956], has to say about harmonic and geometric means. Hopefully, the principles or laws of higher mathematics have not changed over the years.)

**LINK-CHAIN vs. DOUBLE-EXTENSION METHODS FOR VALUING IPIC POOLS**

LIFO involves a measurement process which in turn involves: ... Two points in time (two year-ends) ... One of which is fixed (the base date).

The base date, (i.e., first day of the first year in which LIFO is elected) provides that benchmark or fixed reference point for all subsequent LIFO computations. Although the base date is always fixed, subsequent measurements with respect to it may involve computations that either:

1. Reprice as of that specific date (i.e., double-extension or index methods), or
2. Reprice as of that specific date by the use of a "splicing" or year-by-year index construction (i.e., link-chain or "link-chain, index" methods).

A link-chain method uses the beginning of each year as the measuring reference for determining change. In contrast, the double-extension method uses a fixed base date, which is defined as the first day of the first year for which LIFO is elected. An index method prices a representative portion of the overall inventory, rather than "every item" as required under the double-extension portion of the regulations. A "link-chain, index" method refers to a method that (1) uses a moving base date and (2) reprices a

representative portion (rather than "every" item) of the inventory in determining the annual index.

Overarching the use of the IPIC method is a very broad question that one would think would have been definitively answered by now. But it hasn't been.

That question is: Under the IPIC method, **must** the double-extension method be used to determine the value of the dollar-value pools, or **may** the link-chain method be used for this purpose? FSA 200004008 also addresses this question.

FSA 200004008 observed that ordinarily, a taxpayer may only use the double-extension method for computing the base-year and current-year cost of a dollar-value inventory pool. However, where the double-extension method is impractical, the taxpayer may use an index method. A third method, the link-chain method, is also authorized where the taxpayer can demonstrate that the use of the double-extension or the index method is impractical or unsuitable in view of the nature of the pool.

Although the IPIC method is an additional and simplified method of using an *external* (rather than *internal*) index, whether the ultimate price index is determined using the double-extension method or the link-chain method "is still at issue."

The FSA said that the stated preference in the Regulations is for the use of the double-extension method. There are fewer distortions when the double-extension method is used with the IPIC method, than there would be if the link-chain method were used. It also added that because the base-year and current-year indexes are published monthly by the Bureau of Labor Statistics, it is relatively simple to double-extend under the IPIC method. "Furthermore, because the indexes are external, base-year cost reconstruction can invariably be accomplished using the double-extension method. Finally, distortions from errors in the index ... or changes in product mix ... are reduced by using the double-extension method rather than the link-chain method in conjunction with the IPIC method."

**AN ABRUPT, BUT FAVORABLE, ENDING**

After reciting all these pro-double-extension observations, the FSA abruptly concludes ... "On the other hand, although there are arguments favoring using the double-extension method, there are no Service pronouncements specifically prohibiting using the link-chain method with an IPIC method. Accordingly, under the facts in this situation, we would not disturb (the) Taxpayer's use of the link-chain method to compute the LIFO value of its pools."

O.K., we'll take it. \*



# LIFO LOOKOUT

INDEX OF ARTICLES: MARCH, 1991 - DECEMBER, 1999

	<u>PAGE</u>
<b>I. AUTOMOBILE DEALER INVENTORIES</b>	
<b>NEW VEHICLES</b>	
ALTERNATIVE LIFO METHOD ... REV. PROC. 97-36 .....	4
ALTERNATIVE LIFO METHOD ... REV. PROC. 92-79 .....	4
NEW ITEM LISTS ... DEFINITION, ANALYSES & COMPARISON WITH IRS LISTS .....	4-5
IRS AUDIT ACTIVITY ... POST-1992 .....	5
IRS AUDIT ACTIVITY ... PRIOR TO ALTERNATIVE LIFO METHOD .....	6
<b>USED VEHICLES</b>	
THEORY & PRACTICE .....	6
FORM 970 ELECTION REPORTING .....	6
<b>PARTS &amp; ACCESSORIES</b>	
REPLACEMENT COST METHOD FOR VALUING PARTS INVENTORIES .....	6-7
<b>II. BARGAIN PURCHASE OF INVENTORY .....</b>	<b>7</b>
<b>III. BOOKS &amp; RECORDS .....</b>	<b>8</b>
<b>IV. CALCULATIONS</b>	
GENERAL .....	8
NEGATIVE LIFO RESERVES .....	8
OTHER SPECIFIC BUSINESSES .....	8-9
COMBINING POOLS .....	9
FIRST YEAR CALCULATIONS .....	9
REBASING INDEXES .....	9
SAMPLING .....	9
<b>V. CHANGING LIFO METHODS OF ACCOUNTING</b>	
GENERAL .....	9
REVENUE PROCEDURE 98-60 .....	10
REVENUE PROCEDURE 97-37 .....	10
REVENUE PROCEDURE 97-27 .....	10
REVENUE PROCEDURE 92-20 .....	10
FORM 3115 FILINGS .....	10
TERMINATING LIFO ELECTIONS .....	11

(continued)

# LIFO LOOKOUT

INDEX OF ARTICLES: MARCH, 1991 - DECEMBER, 1999

	<u>PAGE</u>
<b>VI. FINANCIAL STATEMENT REPORTING CONFORMITY REQUIREMENTS</b>	
GENERAL .....	11
DEALER SPECIFIC ... POST-1996 .....	11
DEALER SPECIFIC ... PRE-1997 .....	12
<b>VII. FORM 970, LIFO ELIGIBILITY &amp; LIFO ELECTION CONSIDERATIONS .....</b>	<b>12</b>
<b>VIII. INCREMENT VALUATION METHODS .....</b>	<b>12-13</b>
<b>IX. ITEM DEFINITION .....</b>	<b>13</b>
<b>X. LIFO RECAPTURE TAX &amp; ENTITY CHANGES: C TO S, LLC, etc. ....</b>	<b>13</b>
<b>XI. MANUFACTURERS &amp; COMPONENTS-OF-COST METHODS .....</b>	<b>14</b>
<b>XII. REPLACEMENT COST METHOD FOR VALUING PARTS INVENTORIES .....</b>	<b>14</b>
<b>XIII. PROJECTIONS &amp; PLANNING YEAR-END INVENTORY LEVELS</b>	
CASES IN GENERAL .....	14
PLANNING & PROJECTING FOR YEAR-END LIFO INVENTORIES .....	14
QUICK YEAR-END LIFO ESTIMATES	
BASED ON ONE-OF-EACH ITEM CATEGORY INVENTORY MIX .....	15
<b>XIV. FINDING LISTS</b>	
CASES .....	15
COORDINATED ISSUE PAPERS .....	15
FIELD SERVICE ADVICE MEMORANDA .....	16
LETTER RULINGS (INCLUDING TECHNICAL ADVICE MEMORANDA) .....	17
REVENUE PROCEDURES .....	17
REVENUE RULINGS & IRS ANNOUNCEMENTS .....	18
IRS AUDIT ACTIVITY FOR AUTO DEALER LIFO CALCULATIONS .....	18
<b>PRACTICE GUIDES</b> .....	19

**\* NOTE:** To facilitate key word/subject finding, certain articles marked (\*) are included more than once in the detailed topic/subject listings. Articles relating to IRS Audit manuals, Guides, etc., and **PRACTICE GUIDES** (identified by PG) are included in the detailed topic/subject listings and in the above **FINDING LISTS**. (Rev. January, 2000)







## LIFO LOOKOUT

### INDEX OF ARTICLES: MARCH, 1991 - DECEMBER, 1999

PAGE 8

#### III. BOOKS & RECORDS

When Are Books & Records (In)Adequate to Support LIFO Calculations?.....	September, 1999	pg. 10
Protecting Your Client's Books and Records.....	March, 1995	pg. 18
Tax Court Terminates LIFO Election Due to Inadequate Books and Records: <i>Boecking Machinery, Inc.</i> .....	December, 1992	pg. 4
Books & Records, Closed Years and Adjusting Prior Year Indexes.....	September, 1991	pg. 10

#### IV. CALCULATIONS

##### CALCULATIONS - GENERAL

Field Service Advice Provides Interesting Insights into IRS Thinking on LIFO Issues.....	June, 1999	pg. 12
FSA's ... <i>At A Glance</i> : Summary of LIFO-Related Field Service Advice.....	PG June, 1999	pg. 14
Sale of Excess Capacity Inventory Does Not Require "Vertical Slice" Faster LIFO Recapture (LTR 199920001).....	June, 1999	pg. 4
More on Application of BLS-IPIC Method to Auto Dealers' Inventories.....	December, 1998	pg. 3
IRS Can't Prevent Use of Dollar-Value LIFO Method for Specifically Identifiable Goods 1992 FSA Allows DVM & Tells Agents How to Restrict Benefits (FSA 1998-152).....	September, 1998	pg. 22
What is Field Service Advice?.....	September, 1998	pg. 23
S Elections, QSSSs & "Almost Too Good to Be True" LIFO Results.....	March, 1998	pg. 25
Changes in Heavy-Truck & Equipment Discount Pricing (Update #6).....	December, 1996	pg. 3
The Tax Court's Primer on LIFO Inventories *.....	September, 1996	pg. 8
"Visualizing" How Dollar Value LIFO Works *.....	September, 1996	pg. 10
Summary of Methods for Pricing Dollar Value LIFO Pools.....	June, 1996	pg. 8
LTR 9448004: Leased Machinery Can Be Included in LIFO Inventory by Heavy Construction Equipment Dealer *.....	December, 1994	pg. 24
Why Do Some LIFO Reserves Go Up Even Though Inventory Levels Go Down?.....	March, 1992	pg. 3
Theory, Practice & IRS Audit Issues: What's Going On Out There? *.....	September, 1991	pg. 3

##### CALCULATIONS - NEGATIVE LIFO RESERVES

Strange, But Explainable, Results from the Wacky World of Negative LIFO Reserves ..	December, 1998	pg. 14
---	----------------	--------

##### CALCULATIONS - OTHER SPECIFIC BUSINESSES

Core Remanufacturers: IRS Terminates <i>Consolidated Manufacturing, Inc.</i> 's LIFO Election Made for Some - But Not All - Costs that Make Up Goods.....	September, 1998	pg. 4
Jewelry Retailer's LIFO Calculations Lose Their Glitter ... Poor Books & Records Turn Precious Gem Inventory to Paste.....	September, 1999	pg. 3
<i>At A Glance</i> ... FSA 199920002.....	PG September, 1999	pg. 5
How One Jeweler Applied LIFO to its Inventories.....	September, 1999	pg. 8

## LIFO LOOKOUT

### INDEX OF ARTICLES: MARCH, 1991 - DECEMBER, 1999

PAGE 15

#### XIII. PROJECTIONS & PLANNING YEAR-END INVENTORY LEVELS (Continued)

##### QUICK YEAR-END LIFO ESTIMATES BASED ON ONE-OF-EACH ITEM CATEGORY INVENTORY MIX

1999-2000 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1999	pg. 23
1998-1999 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1998	pg. 20
1997-1998 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1997	pg. 17
1996-1997 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1996	pg. 20
1995-1996 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1995	pg. 21
1994-1995 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1994	pg. 9
1993-1994 New Vehicle Inflation Survey for Year-End LIFO Estimates .....	December, 1993	pg. 7

#### XV. FINDING LISTS

##### CASES

<i>Ballou &amp; Company, Inc.</i> ... Managing Year-End Inventory Levels.....	March, 1997	pg. 7
<i>Boecking Machinery, Inc.</i> ... LIFO Election Lost Due to Inadequate Books & Records December, 1995.....	December, 1995	pg. 4
<i>Consolidated Manufacturing, Inc.</i> ... IRS Terminates Taxpayer's LIFO Election for Some - But Not All - Costs that Make Up Goods.....	September, 1998	pg. 4
<i>Hamilton Industries, Inc.</i> ... Bargain Purchase of Inventories.....	December, 1999	pg. 4
.....	June, 1997	pg. 21
.....	December, 1991	pg. 4
<i>Illinois Cereal Mills vs. Comm.</i> ... Managing Year-End Inventory Levels .....	March, 1997	pg. 6
<i>Ingredient Technology Corp./Sucrest</i> ... Managing Year-End Inventory Levels .....	March, 1997	pg. 4
<i>Kohler Co. And Subs</i> ... Bargain Purchase of Inventories .....	December, 1999	pg. 4
.....	June, 1998	pg. 3
.....	June, 1997	pg. 21
.....	March, 1996	pg. 3
<i>LaCrosse Footwear, Inc.</i> ... Bargain Purchase of Inventories.....	December, 1999	pg. 4
.....	June, 1998	pg. 3
.....	June, 1997	pg. 14
<i>Mountain State Ford Truck Sales, Inc.</i> Dealers Can't Use Replacement Cost Method for Parts Inventories on LIFO.....	March, 1999	pg. 3
<i>Richardson, E. W.</i> ... Auto Dealer "Item" Definition.....	September, 1996	pg. 3
.....	June, 1996	pg. 16
<i>William Powell Co.</i> ... Financial Statement Conformity Requirement - General.....	December, 1993	pg. 3

##### COORDINATED ISSUE PAPERS (CIP)

Earliest Acquisitions Method for Valuing Increments (Sept., 1995 & Sept., 1994).....	June, 1996	pg. 10
.....	September, 1994	pg. 18
Sampling and LIFO Inventories (June, 1995).....	September, 1995	pg. 20
Election of LIFO for Bulk Bargain Purchase Inventories (Sept., 1995).....	June, 1997	pg. 21
.....	September, 1995	pg. 22

## NEW ITEM REPORT FOR 1999 CALENDAR YEAR DEALERS

### 1999-2000 MODELS IN DECEMBER, 1999 INVENTORIES

We are pleased to present our December 31, 1999 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 the introduction of 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 1999 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, 1999. As we observed last year when presenting 1996-97-98 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 (1997 and 1998) 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 prior 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 1999. We would expect there to be some differences between our respective Lists. In the past, most 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.



DE FILIPPS'

# LIFO LOOKOUT

2000

# NEW ITEM REPORT

**PLEASE NOTE:** All articles and the entire contents of this publication are subject to copyright and are the proprietary intellectual property of the author and publisher, Willard J. De Filippis. No article, nor any portion of this publication, is to be reproduced or distributed without the express written authorization of Willard J. De Filippis. Any prior permission to reproduce and/or distribute, unless expressed in a written document, is null and void.

**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES  
UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS  
REVENUE PROCEDURES 97-36 & 92-79**

**AUTOS  
PAGE 1 OF 9**

**W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>ACURA</b>			<b>ACURA</b>			<b>ACURA</b>		
TL	4-DR SEDAN 3.2 AUTO	UA566	CL	2-DR COUPE 2.3 5-SP	YA315	NSX	2-DR COUPE 5-SP	NA213
	4-DR SEDAN 3.2 AUTO W/NAV SYS	UA567		2-DR COUPE 2.3 AUTO	YA325		2-DR COUPE AUTO	NA123
				2-DR COUPE 3.0 AUTO	YA225	NSX-T	2-DR COUPE 5-SP	NA216
			RL	4-DR SEDAN	KA965		2-DR COUPE AUTO	NA126
				4-DR SEDAN W/NAV PKG	KA966	RL	4-DR SEDAN W/NAV PKG	KA967
			TL	4-DR SEDAN 3.2 AUTO	UA564			
				4-DR SEDAN 3.2 AUTO W/NAV SYS	UA565			
<b>AUDI</b>			<b>AUDI</b>			<b>AUDI</b>		
<b>A4 SERIES</b>	4-DR SEDAN 1.8 5-SP	8D25H4	<b>A4 SERIES</b>	4-DR WGN AVANT QUATTRO 1.8T 5-SP	8D55I5	<b>A4 SERIES</b>	4-DR WAGON AVANT 5-SP	8D55VK
	4-DR SEDAN 1.8 AUTO	8D25HK		4-DR WGN AVANT QUATTRO 1.8T AUTO	8D55I2		4-DR WAGON AVANT QUATTRO 5-SP	8D55V5
	4-DR SEDAN 1.8 QUATTRO 5-SP	8D25H5	<b>A6 SERIES</b>	4-DR WGN AVANT QUATTRO AUTO	4B54VZ		4-DR WAGON AVANT QUATTRO AUTO	8D55VZ
	4-DR SEDAN 1.8 QUATTRO AUTO	8D25HZ				<b>A6 SERIES</b>	4-DR SEDAN AUTO	4B24VA
	4-DR SEDAN 2.8 5-SP	8D25U4					4-DR SEDAN QUATTRO AUTO	4B24VB
	4-DR SEDAN 2.8 AUTO	8D25UK					4-DR WAGON AUTO	4A53U8
	4-DR SEDAN 2.8 QUATTRO 5-SP	8D25U5						
	4-DR SEDAN 2.8 QUATTRO AUTO	8D25UZ						
	4-DR WAGON AVANT 1.8 QUATTRO 5-SP	8D55H5						
	4-DR WAGON AVANT 1.8 QUATTRO AUT	8D55HZ						
	4-DR WAGON AVANT 2.8 QUATTRO 5-SP	8D55U5						
	4-DR WAGON AVANT 2.8 QUATTRO AUT	8D55UZ						
<b>A6 SERIES</b>	4-DR SEDAN 2.7 QUATTRO 6-SP	4B2479						
	4-DR SEDAN 2.7 QUATTRO AUTO	4B247Z						
	4-DR SEDAN 4.2 QUATTRO AUTO	4B44I2						
<b>A8 SERIES</b>	4-DR SEDAN 4.2 QUATTRO 5-SP	4D22GZ						
<b>S4</b>	4-DR SEDAN 2.7 QUATTRO 6-SP	8D2579						
	4-DR SEDAN 2.7 QUATTRO AUTO	8D257Z						
<b>TT</b>	2-DR COUPE FRONTTRAK	8N3554						
	2-DR COUPE QUATTRO	8N355N						



**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, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>BMW</b>			<b>BMW</b>			<b>BMW</b>		
<b>3 SERIES</b>			<b>3 SERIES</b>			<b>3 SERIES</b>		
	323CI 2-DR COUPE 5-SP	34		323I 4-DR SEDAN 5-SP	44		323IC 2-DR CONVERTIBLE 5-SP	41
	328CI 2-DR COUPLE 5-SP	33		323IA 4-DR SEDAN AUTO	49		323ICA 2-DR CONVERTIBLE AUTO	46
<b>7 SERIES</b>				328I 4-DR SEDAN 5-SP	42		323IS 2-DR COUPE 5-SP	34
	740IL 4-DR SEDAN AUTO W/PROT	78		328IA 4-DR SEDAN AUTO	47		323ISA 2-DR COUPE AUTO	39
	750IL 4-DR SEDAN AUTO W/PROT	77		M3 2-DR CONVERTIBLE	37			
<b>X5</b>			<b>5 SERIES</b>					
	SPORT UTILITY VEHICLE	62		528IT SPORT WAGON	54			
				528ITA SPORT WAGON AUTO	59			
				540ITA SPORT WAGON	69			
			<b>Z3</b>					
				2-DR COUPE 2.8L 5-SP	29			
				2-DR COUPE M	26			
				2-DR ROADSTER 2.3L 5-SP	23			
				2-DR ROADSTER M	24			
<b>BUICK</b>			<b>BUICK</b>			<b>BUICK</b>		
<b>LESABRE</b>						<b>CENTURY</b>		
	4-DR SEDAN CUSTOM	4HP69					4-DR SEDAN CUSTOM 1SG CWOI	S69 1SG
	4-DR SEDAN LIMITED	4HR69					4-DR SEDAN LIMITED 1SH CWOI	Y69 1SH
						<b>LESABRE</b>		
							4-DR SEDAN CUSTOM 1SG CWOI	P69 1SG
							4-DR SEDAN LIMITED 1SG CWOI	R69 1SG
						<b>PARK AVENUE</b>		
							4-DR SEDAN 1SG CWOI	W69 1SG
							4-DR SEDAN 1SH CWOI	W69 1SH
						<b>REGAL</b>		
							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
						<b>RIVIERA</b>		
							2-DR COUPE 1SG CWOI	D07 1SG
<b>CADILLAC</b>			<b>CADILLAC</b>			<b>CADILLAC</b>		
<b>DE VILLE</b>			<b>DE VILLE</b>			<b>SEVILLE</b>		
	4-DR SEDAN	6KD69		4-DR SEDAN GOLDEN ANNIV ED	6KD69 ANN		4-DR SEDAN SLS	6KS69
	4-DR SEDAN DHS	6KE69					4-DR SEDAN STS	6KY69
	4-DR SEDAN DTS	6KF69						
<b>CHEVROLET / GEO</b>			<b>CHEVROLET / GEO</b>			<b>CHEVROLET / GEO</b>		
<b>IMPALA</b>			<b>CORVETTE</b>			<b>CAMARO</b>		
	4-DR SEDAN	1WF19		2-DR HARDTOP	1YY37		2-DR COUPE CWOI	1FP87 CWOI
	4-DR SEDAN LS	1WH19				<b>CAVALIER</b>		
<b>MALIBU</b>							2-DR CONVERTIBLE Z24	1JF67
	4-DR SEDAN LS GOLD EDITION	1NE69 GE					2-DR COUPE R8L CWOI	1JC37 R8L
<b>MONTE CARLO</b>							4-DR SEDAN R8L CWOI	1JC69 R8L
	2-DR COUPE LS	1WW27 LS				<b>CORVETTE</b>		
	2-DR COUPE SS	1WX27 SS					2-DR CONVERTIBLE COUPE	1YY67
							2-DR COUPE	1YY07
						<b>LUMINA</b>		
							4-DR SEDAN LTZ R8L CWOI	1WN69 R8L
						<b>MALIBU</b>		
							4-DR SEDAN LS CWOI	1NE69 CWOI
						<b>METRO</b>		
							3-DR H/B COUPE CWOI	1MR08 CWOI
							4-DR SEDAN LSI CWOI	1MR69 CWOI



**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, 1999 - 1998 - 1997**

**AUTOS  
 PAGE 3 OF 9**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>CHEVROLET / GEO</b>			<b>CHEVROLET / GEO</b>			<b>CHEVROLET / GEO</b>		
						<b>MONTE CARLO</b>		
						2-DR COUPE Z34 R8L CWOI		1WX27 CWOI
						<b>PRIZM</b>		
						4-DR SEDAN		1SK19
						4-DR SEDAN		1SK19 1SB
						4-DR SEDAN CWOI		1SK19 CWOI
						4-DR SEDAN LSI		1SK19 LSI
<b>CHRYSLER</b>			<b>CHRYSLER</b>			<b>CHRYSLER</b>		
<b>CIRRUS</b>			<b>300M</b>			<b>CIRRUS</b>		
4-DR SEDAN LX		JACH41	4-DR SEDAN		LHYS41	4-DR SEDAN LXI		JACP41
<b>CONCORDE</b>			<b>LHS</b>			<b>CONCORDE</b>		
4-DR SEDAN LXI		LHCM41	4-DR SEDAN		LHCP41	4-DR SEDAN LX		LHCH41
<b>DAEWOO</b>			<b>DAEWOO</b>			<b>DAEWOO</b>		
<b>NUBIRA</b>								
4-DR SEDAN SE 5-SP		E4MQ5						
4-DR SEDAN SE AUTO		E4MQ4						
<b>DODGE</b>			<b>DODGE</b>			<b>DODGE</b>		
<b>INTREPID</b>						<b>INTREPID</b>		
4-DR SEDAN R/T		LHDX41				4-DR SEDAN		LHDH41
<b>NEON</b>						4-DR SEDAN ES		LHDP41
4-DR SEDAN HIGHLINE		PLDH41				<b>NEON</b>		
						2-DR COUPE COMPETITION		PLDL22
						4-DR SEDAN COMPETITION		PLDL42
						<b>VIPER</b>		
						2 SEAT RT/10 ROADSTER		SRD27
<b>EAGLE</b>			<b>EAGLE</b>			<b>EAGLE</b>		
<b>FERRARI</b>			<b>FERRARI</b>			<b>FERRARI</b>		
<b>360 MODENA</b>			<b>F355</b>			<b>F355</b>		
2-DR COUPE		360	2-DR SPIDER CONVERTIBLE FSP		F355 FSP	2-DR COUPE B CHALLENGE		F355 CH
2-DR COUPE FORMULA		360 F						
<b>FORD</b>			<b>FORD</b>			<b>FORD</b>		
<b>CONTOUR</b>						<b>CONTOUR</b>		
4-DR SEDAN SE-FLEET		P66 SE				4-DR SEDAN SVT		P68
4-DR SEDAN SPORT		P66				<b>CROWN VICTORIA</b>		
<b>FOCUS</b>						4-DR SEDAN		P73
3-DR HATCHBACK ZX3		P31				4-DR SEDAN - FLEET		P72
4-DR SEDAN LX		P33				4-DR SEDAN LX		P74
4-DR SEDAN SE		P34				4-DR SEDAN POLICE INTERCEPTOR		P71
4-DR SEDAN ZTS		P38				<b>ESCORT</b>		
4-DR WAGON SE		P36				2-DR COOL COUPE ZX2		P11 CC
<b>TAURUS</b>						2-DR HOT COUPE ZX2		P11 HC
4-DR SEDAN COMFORT		P56						
4-DR SEDAN SE SVG		P55						





**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES  
UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS  
REVENUE PROCEDURES 97-36 & 92-79**

AUTOS  
PAGE 4 OF 9

**W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>HONDA</b>			<b>HONDA</b>			<b>HONDA</b>		
<b>ACCORD</b>			<b>ACCORD</b>			<b>ACCORD</b>		
2-DR COUPE 3.0 EX AUTO W/LEATHER		CG225 L	2-DR COUPE ULEV LX AUTO		CG326	2-DR COUPE EX 3.0 AUTO		CG225
2-DR COUPE ULEV EX 5-SP		CG317	4-DR SEDAN ULEV LX AUTO		CG665	2-DR COUPE EX 5-SP		CG315
2-DR COUPE ULEV EX 5-SP W/LEATHER		CG317 L	4-DR SEDAN ULEV LX AUTO W/ABS		CG665 ABS	2-DR COUPE EX 5-SP W/LEATHER		CG315 L
2-DR COUPE ULEV LX 5-SP		CG316	<b>CIVIC</b>			2-DR COUPE EX AUTO		CG325
4-DR SEDAN SE AUTO		CG567	4-DR SEDAN VALUE PACKAGE AUTO		EJ661	2-DR COUPE EX AUTO W/LEATHER		CG325 L
4-DR SEDAN ULEV EX 5-SP		CG657				2-DR COUPE LX 3.0 AUTO		CG224
4-DR SEDAN ULEV EX 5-SP W/LEATHER		CG658				2-DR COUPE LX 5-SP		CG314
4-DR SEDAN ULEV EX AUTO W/LEATHER		CG668 L				2-DR COUPE LX AUTO		CG324
4-DR SEDAN ULEV LX 5-SP		CG655				2-DR COUPE ULEV EX AUTO		CG327
4-DR SEDAN ULEV SE AUTO		CG669				2-DR COUPE ULEV EX AUTO W/LEATHER		CG327 L
<b>CIVIC</b>						4-DR SEDAN 3.0 LX AUTO		CG164
2-DR COUPE SI 5-SP		EM115				4-DR SEDAN DX 5-SP		CF854
<b>INSIGHT</b>						4-DR SEDAN DX AUTO		CF864
3-DR HATCHBACK 5-SP		ZE135				4-DR SEDAN EX 5-SP		CG555
3-DR HATCHBACK W/AC 5-SP		ZE137				4-DR SEDAN EX 5-SP W/LEATHER		CG555 L
<b>S2000</b>						4-DR SEDAN EX AUTO		CG565
2-DR CONVERTIBLE 6-SP		AP114				4-DR SEDAN EX AUTO W/LEATHER		CG185 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
<b>HYUNDAI</b>			<b>HYUNDAI</b>			<b>HYUNDAI</b>		
<b>ACCENT</b>			<b>SONATA</b>			<b>ACCENT</b>		
3-DR HATCHBACK GS 5-SP		13333	4-DR SEDAN 5-SP		23403	3-DR HATCHBACK GSI 5-SP		12343
3-DR HATCHBACK GS AUTO		13332	4-DR SEDAN AUTO		23402	3-DR HATCHBACK GSI AUTO		12342
3-DR HATCHBACK L 5-SP		13303	4-DR SEDAN GLS V6 5-SP		23453			
4-DR SEDAN GL 5-SP		13423	4-DR SEDAN GLS V6 AUTO		23452			
4-DR SEDAN GL AUTO		13422						
<b>ELANTRA</b>								
4-DR WAGON GLS 5-SP		41543						
<b>SONATA</b>								
4-DR SEDAN AUTO		23402						
<b>INFINITI</b>			<b>INFINITI</b>			<b>INFINITI</b>		
<b>I30</b>			<b>Q20</b>			<b>Q45</b>		
4-DR SEDAN LUXURY AUTO		9501	4-DR SEDAN 5-SP		9205	4-DR SEDAN		9431
4-DR SEDAN TOURING AUTO		9571	4-DR SEDAN AUTO		9201	4-DR SEDAN TOURING		9481
<b>Q45</b>			4-DR TOURING SEDAN 5-SP		9275			
4-DR SEDAN ANN ED		9491	4-DR TOURING SEDAN AUTO		9271			
			<b>Q45</b>					
			4-DR SEDAN TOURING W/COMMUN		9491			
			4-DR SEDAN W/ COMMUN		9441			
<b>JAGUAR</b>			<b>JAGUAR</b>			<b>JAGUAR</b>		
<b>S-TYPE</b>						<b>XJ8</b>		
4-DR SEDAN 3.0L V6 AUTO		JAG1				4-DR SEDAN		XJ8
4-DR SEDAN 4.0L V8 AUTO		JAG2				4-DR SEDAN L		XJ8L
<b>XJ8</b>						4-DR SEDAN VANDEN PLAS		XJ4VDP
4-DR SEDAN VANDEN PLAS SUPERCHA		XJVPSC				4-DR SEDAN XJR		XJR
<b>XKR</b>								
2-DR CONVERTIBLE AUTO		XKR CON						
2-DR COUPE AUTO		XKR CPE						



**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, 1999 - 1998 - 1997**

**AUTOS  
 PAGE 5 OF 9**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>KIA</b>			<b>KIA</b>			<b>KIA</b>		
<b>SEPHIA</b>						<b>SEPHIA</b>		
	4-DR SEDAN 5-SP SPEC VALUE	14203					4-DR SEDAN LS AUTO W/PWR PKG	14242
	4-DR SEDAN AUTO SPEC VALUE	14204					4-DR SEDAN AUTO	14202
	4-DR SEDAN LS 5-SP W/PWR PKG SV	14243					4-DR SEDAN LS 5-SP	14221
	4-DR SEDAN LS AUTO W/PWR PKG SV	14244					4-DR SEDAN LS 5-SP W/PWR PKG	14241
							4-DR SEDAN LS AUTO	14222
							4-DR SEDAN RS 5-SP	14201
<b>LEXUS</b>			<b>LEXUS</b>			<b>LEXUS</b>		
						<b>GS 300 SEDAN</b>		
							4-DR LUXURY SPORT AUTO	9300
							4-DR LUXURY SPORT AUTO CANV	9310
						<b>GS 400 SEDAN</b>		
							4-DR LUXURY SPORT AUTO	9320
							4-DR LUXURY SPORT AUTO CANV	9330
<b>LINCOLN</b>			<b>LINCOLN</b>			<b>LINCOLN</b>		
<b>LS</b>						<b>TOWN CAR</b>		
	4-DR SEDAN V6 5-SP	M86					4-DR CARTIER	M83
	4-DR SEDAN V6 AUTO	M86 AUTO					4-DR CARTIER CMNYC	M83 CMNYC
	4-DR SEDAN V8 AUTO	M87					4-DR EXECUTIVE	M81
							4-DR EXECUTIVE CMNYC	M81 CMNYC
							4-DR SIGNATURE	M82
							4-DR SIGNATURE CMNYC	M82 CMNYC
<b>MAZDA</b>			<b>MAZDA</b>			<b>MAZDA</b>		
<b>MILLENNIA</b>			<b>626</b>			<b>626</b>		
	4-DR SEDAN AUTO MILLENNIUM ED	MILMA		4-DR SEDAN ES AUTO	626ES AUTO		4-DR SEDAN DX 5-SP	626DX
	4-DR SEDAN L AUTO	MILL		<b>MX-5 MIATA</b>			4-DR SEDAN ES V8 5-SP	626ES
<b>MX-5 MIATA</b>				2-DR CONVERTIBLE 5-SP	MIA		4-DR SEDAN LX 5-SP	626LX
	2-DR CONVERTIBLE 6-SP ANN ED	MIA ANN		<b>PROTEGE</b>			4-DR SEDAN LX V6 5-SP	626LX V6
	2-DR CONVERTIBLE LS 5-SP	MIALP		4-DR SEDAN DX	PRODX	<b>MX-5 MIATA</b>		
				4-DR SEDAN ES	PROES		2-DR CONVERTIBLE STO-ED	NA35 STO
				4-DR SEDAN LX	PROLX			
<b>MERCEDES</b>			<b>MERCEDES</b>			<b>MERCEDES</b>		
<b>CLK</b>			<b>C CLASS</b>			<b>CLK</b>		
	CLK430 2-DR CABRIOLET AUTO	CLK430 A		C43 4-DR SEDAN AUTO	C43		CLK320 2-DR COUPE AUTO	CLK320
<b>E CLASS</b>			<b>CLK</b>			<b>E CLASS</b>		
	4-DR 4-DR SEDAN AUTO AWD	E430W A		CLK320 2-DR CABRIOLET AUTO	CLK320 A		4-DR SEDAN AUTO	E430
<b>S CLASS</b>				CLK430 2-DR COUPE AUTO	CLK430		E320 4-DR SEDAN AUTO AWD	E320W A
	S430 4-DR SEDAN AUTO	S430V	<b>SLK</b>				E320 STATION WAGON AUTO	E320S
	S500 4-DR SEDAN AUTO	S500V		SLK230 2-DR COUPE/ROAD KOMP 5-SP	SLK230		E320 STATION WAGON AUTO AWD	E320S A
<b>MERCURY</b>			<b>MERCURY</b>			<b>MERCURY</b>		
<b>SABLE</b>			<b>COUGAR</b>			<b>GRAND MARQUIS</b>		
	4-DR SEDAN LS PREMIUM	M55		2-DR COUPE I-4	T60		4-DR SEDAN GS	M74
	4-DR WAGON GS	M58 GS		2-DR COUPE V-6 5-SP	T61		4-DR SEDAN LS	M75
	4-DR WAGON LS PREMIUM	M59					4-DR SEDAN GS CA	M74 CA
							4-DR SEDAN LS CA	M75 CA
						<b>SABLE</b>		
							4-DR SEDAN LS CA	M53 CA
							4-DR WAGON LS CA	M58 CA



**NEW ITEM CATEGORIES FOR NEW AUTOMOBILES  
UNDER THE ALTERNATIVE LIFO (LAST-IN, FIRST-OUT) METHOD FOR AUTOMOBILE DEALERS  
REVENUE PROCEDURES 97-36 & 92-79**

AUTOS  
PAGE 6 OF 9

**W/RT NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>MITSUBISHI</b>			<b>MITSUBISHI</b>			<b>MITSUBISHI</b>		
<b>DIAMANTE</b>			<b>3000GT</b>			<b>DIAMANTE</b>		
4-DR SEDAN LS AUTO		DM42-G	3-DR SPORT COUPE VR-4		GT24-T	4-DR SEDAN ES AUTO		DM42-B
<b>ECLIPSE</b>			<b>GALANT</b>			<b>GALANT</b>		
2-DR CONVERT SPYDER GS 5-SP		EC28-K 5-SP	4-DR SEDAN DE AUTO		GA41-B AUTO	4-DR SEDAN ES 5-SP		GA41-G 5-SP
2-DR CONVERT SPYDER GS AUTO		EC28-K AUTO	4-DR SEDAN ES AUTO		GA41-G AUTO			
2-DR CONVERT SPYDER GS-T 5-SP		EC28-P 5-SP	4-DR SEDAN ES V-6 AUTO		GA41-K AUTO			
2-DR CONVERT SPYDER GS-T AUTO		EC28-P AUTO	4-DR SEDAN GTZ V-6 AUTO		GA41-P AUTO			
3-DR COUPE GS 5-SP		EC24-K 5-SP	4-DR SEDAN LS V-6 AUTO		GA41-X AUTO			
3-DR COUPE GS SPORTRONIC		EC24-K AUTO						
3-DR COUPE GT 5-SP		EC24-P 5-SP						
3-DR COUPE GT 5-SP		EC24-X 5-SP						
3-DR COUPE GT AUTO		EC24-X AUTO						
3-DR COUPE GT SPORTRONIC		EC24-P AUTO						
3-DR COUPE RS 5-SP		EC24-G 5-SP						
3-DR COUPE RS AUTO		EC24-G AUTO						
<b>NISSAN</b>			<b>NISSAN</b>			<b>NISSAN</b>		
<b>ALTIMA</b>						<b>240SX</b>		
4-DR SEDAN SE-L 5-SP		1595				2-DR COUPE LE 5-SP		2635
4-DR SEDAN SE-L AUTO		1591				2-DR COUPE LE AUTO		2631
<b>MAXIMA</b>						<b>ALTIMA</b>		
4-DR SEDAN GLE AUTO		0861				4-DR SEDAN GLE AUTO		0581
4-DR SEDAN GXE 5-SP		0845				4-DR SEDAN GXE 5-SP		0575
4-DR SEDAN GXE AUTO		0841				4-DR SEDAN GXE AUTO		0571
4-DR SEDAN SE 5-SP		0825				4-DR SEDAN SE 5-SP		0595
4-DR SEDAN SE AUTO		0821				4-DR SEDAN SE AUTO		0591
<b>SENTRA</b>						4-DR SEDAN XE 5-SP		0565
4-DR SEDAN SE-L 5-SP		4255				4-DR SEDAN XE AUTO		0561
4-DR SEDAN SE-L AUTO		4251				<b>SENTRA</b>		
						4-DR SEDAN SE 5-SP		4245
						4-DR SEDAN SE AUTO		4241
<b>OLDSMOBILE</b>			<b>OLDSMOBILE</b>			<b>OLDSMOBILE</b>		
<b>ALERO</b>			<b>ALERO</b>			<b>INTRIGUE</b>		
2-DR COUPE GL1 1SA		3NL37 1SA	2-DR COUPE GL		3NL37	4-DR SEDAN		3WH69
2-DR COUPE GL3 1SC		3NL37 1SC	2-DR COUPE GLS		3NF37	4-DR SEDAN GL		3WS69
4-DR SEDAN GL2 1SB		3NL69 1SB	2-DR COUPE GX		3NK37			
4-DR SEDAN GL3 1SC		3NL69 1SC	4-DR SEDAN GL		3NL69			
			4-DR SEDAN GLS		3NF69			
			4-DR SEDAN GX		3NK69			
			<b>EIGHTY EIGHT</b>					
			4-DR SEDAN 50TH ANNIV ED		3HC69			
			<b>INTRIGUE</b>					
			4-DR SEDAN GLS		3VWX69			
<b>PLYMOUTH</b>			<b>PLYMOUTH</b>			<b>PLYMOUTH</b>		
<b>NEON</b>			<b>PROWLER</b>			<b>NEON</b>		
4-DR SEDAN HIGHLINE		PLPH41	2-SEAT ROADSTER		PRPS27	2-DR COUPE COMPETITION		PLPL22
						4-DR SEDAN COMPETITION		PLPL42
						<b>PROWLER</b>		
						2-SEAT ROADSTER		PRPS27
<b>PONTIAC</b>			<b>PONTIAC</b>			<b>PONTIAC</b>		
<b>BONNEVILLE</b>			<b>GRAND AM</b>			<b>BONNEVILLE</b>		
4-DR SEDAN SE		2HX69	2-DR COUPE GT		2NW37	4-DR SEDAN 1SH CWOI		2HX69 1SH
4-DR SEDAN SLE		2HY69	2-DR COUPE GT1		2NW37 GT1	4-DR SEDAN SSE 1SG CWOI		2HZ69 1SG
4-DR SEDAN SSE		2HZ69	2-DR COUPE SE		2NE37	<b>FIREBIRD</b>		
			2-DR COUPE SE1		2NE37 SE1	2-DR CONVERT. TRANS AM 1SG CWOI		2FV87 1SG
			2-DR COUPE SE2		2NE37 SE2	2-DR COUPE 1SH CWOI		2FS87 1SH



**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, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE	MDL	BODY STYLE	MAKE
		CODE			CODE			CODE
<b>PONTIAC</b>			<b>PONTIAC</b>			<b>PONTIAC</b>		
<b>GRAND AM</b>			<b>GRAND AM (continued)</b>			<b>GRAND AM</b>		
2-DR COUPE SE1		2NF37	4-DR SEDAN GT		2NW69	2-DR COUPE GT 1SH CWOI		2NW37 1SH
4-DR SEDAN SE1		2NF69	4-DR SEDAN GT1		2NW69 GT1	2-DR COUPE SE 1SH CWOI		2NE37 1SH
			4-DR SEDAN SE		2NE69	4-DR SEDAN GT 1SH CWOI		2NW69 1SH
			4-DR SEDAN SE1		2NE69 SE1	<b>GRAND PRIX</b>		
			4-DR SEDAN SE2		2NE69 SE2	4-DR SEDAN GT 1SH CWOI		2WP69 1SH
			<b>GRAND PRIX</b>			4-DR SEDAN SE 1SH CWOI		2WJ69 1SH
			2-DR COUPE GTP		2WR37 GTP			
			4-DR SEDAN GTP		2WR69 GTP			
			<b>SUNFIRE</b>					
			2-DR CONVERTIBLE GT		2JB67			
<b>PORSCHE</b>			<b>PORSCHE</b>			<b>PORSCHE</b>		
<b>BOXTER</b>			<b>911 CARRERA SERIES</b>			<b>BOXTER</b>		
BOXSTER S		986320	2-DR CABRIOLET 6-SP		996310	2-SEAT CABRIO 5-SP		986310
			2-DR CABRIOLET TIP		993630	2-SEAT CABRIO TIPTRONIC		986310 TIP
			2-DR COUPE		996110			
			2-DR COUPE TIP-S		996110 TIP			
<b>ROLLS ROYCE</b>			<b>ROLLS ROYCE</b>			<b>ROLLS ROYCE</b>		
			<b>BENTLEY</b>			<b>BENTLEY</b>		
			ARNAGE		BENTLEY BAR	TURBO RT LWB		BENTLEY BTRTL
			CONTINENTAL SC		BENTLEY BCSC	TURBO RT MULLINER		BENTLEY BTRTM
			CONTINENTAL SC MULLINER		BENTLEY BCSCM	TURBO RT SWB		BENTLEY BTRTS
			<b>ROLLS-ROYCE</b>			<b>ROLLS-ROYCE</b>		
			SILVER SERAPH		ROLLS RRSS	SILVER SPUR (W/DIVISION)		ROLLS RRSSWD
						SILVER SPUR PARK WARD		ROLLS RRPW
<b>SAAB</b>			<b>SAAB</b>			<b>SAAB</b>		
<b>9.3 SERIES</b>			<b>9.3 SERIES</b>			<b>900 SERIES</b>		
2-DR CONVERTIBLE VIGGEN		382	2-DR CONVERTIBLE 5-SP		322	2-DR CONV SE TALLEDEGA 5-SP		982
3-DR HATCHBACK VIGGEN		383	2-DR CONVERTIBLE SE 5-SP		332	2-DR COUPE SE TALLEDEGA 5-SP		983
5-DR HATCHBACK VIGGEN		385	2-DR CONVERTIBLE SE AUTO		332A	3-DR COUPE S		923
<b>9.5 SERIES</b>			2-DR CONVERTIBLE SE HOT 5-SP		352	5-DR HBK SE TALLEDEGA 5-SP		985
4-DR SEDAN AERO 5-SP		584	3-DR HATCHBACK 5-SP		323			
5-DR WAGON 2.3 5-SP		505	5-DR HATCHBACK 5-SP		325	<b>9000 SERIES</b>		
5-DR WAGON SE V6 AUTO		575	5-DR HATCHBACK SE 5-SP		335	5-DR HATCHBACK CSE AUTO		055 A
5-DR WAGON V6 AUTO		565	5-DR HATCHBACK SE AUTO		335A	5-DR HBK TURBO ANNIV		085
			5-DR HATCHBACK SE HOT 5-SP		355			
			<b>9.5 SERIES</b>					
			4-DR SEDAN 5-SP		504			
			4-DR SEDAN SE 4CYL 5-SP		514			
			4-DR SEDAN SE V6 AUTO		574A			
			4-DR SEDAN V6 AUTO		564A			
<b>SATURN</b>			<b>SATURN</b>			<b>SATURN</b>		
<b>LS</b>			<b>LS</b>			<b>LS</b>		
4-DR SEDAN 5-SP		ZJR19	4-DR SEDAN 5-SP		ZJT19	4-DR SEDAN 5-SP		ZJT19
4-DR SEDAN AUTO		ZJS19	4-DR SEDAN AUTO		ZJU19	4-DR SEDAN AUTO		ZJU19
<b>LS1</b>			<b>LS2</b>			<b>LS2</b>		
4-DR SEDAN 5-SP		ZJT19	4-DR SEDAN AUTO		ZJW19	4-DR SEDAN AUTO		ZJW19
4-DR SEDAN AUTO		ZJU19	<b>LW1</b>			<b>LW1</b>		
<b>LS2</b>			4-DR WAGON AUTO		ZJU35	4-DR WAGON AUTO		ZJU35
4-DR SEDAN AUTO		ZJW19	<b>LW2</b>			<b>LW2</b>		
<b>LW1</b>			4-DR WAGON AUTO		ZJW35	4-DR WAGON AUTO		ZJW35
4-DR WAGON AUTO		ZJU35						
<b>LW2</b>								
4-DR WAGON AUTO		ZJW35						



**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, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>SUBARU</b>			<b>SUBARU</b>			<b>SUBARU</b>		
<b>IMPREZA</b>			<b>LEGACY</b>			<b>IMPREZA</b>		
4-DR SEDAN 2.5 RS AWD 5-SP		JC	4-DR SDN GT AWD 30 ANN LTD 5-SP		AE	2-DR COUPE 2.5 RS AWD 5-SP		MC
4-DR SEDAN 2.5 RS AWD AUTO		JD	4-DR SDN GT AWD 30 ANN LTD AUTO		AF	2-DR COUPE 2.5 RS AWD AUTO		MD
<b>LEGACY</b>			4-DR SDN SU AWD AUTO		AH	<b>LEGACY</b>		
4-DR SEDAN GT AWD 5-SP		AC	4-DR SDN SU LTD AWD AUTO		AI	4-DR SEDAN GT LTD AWD AUTO		AG
4-DR SEDAN GT AWD AUTO		AD	4-DR SDN SU AWD 30 ANN AUTO		AJ	4-DR WGN OUTBACK LTD AWD W/DUAL		BZ
4-DR SEDAN GT LTD AWD 5-SP		AE	4-DR SDN SU AWD 30 ANN LTD AUTO		AK			
4-DR SEDAN GT LTD AWD AUTO		AF	4-DR SEDAN L AWD 30 ANN 5-SP		AA			
4-DR SEDAN L AWD 5-SP		AA	4-DR SEDAN L AWD 30 ANN AUTO		AB			
4-DR SEDAN L AWD AUTO		AB	4-DR WGN L AWD 30 ANN 5-SP		BC			
4-DR SEDAN OUTBACK LTD AWD AUTO		AG	4-DR WGN L AWD 30 ANN AUTO		BD			
WAGON BRIGHTON AWD 5-SP		BA	4-DR WGN OUTBACK LTD ANN 5-SP		DX			
WAGON BRIGHTON AWD AUTO		BB	4-DR WGN OUTBACK LTD ANN AUTO		DY			
WAGON GT AWD 5-SP		BE	4-DR WGN SSV AWD AUTO		BS			
WAGON GT AWD AUTO		BF	4-DR WGN OUTBACK LTD ANN					
WAGON L AWD 5-SP		BC	W/DUAL SR AUTO		DZ			
WAGON L AWD AUTO		BD	4-DR WGN OUTBACK LTD AWD					
WAGON OUTBACK AW/PK AWD 5-SP		BU	30 ANN 5-SP		BX			
WAGON OUTBACK AW/PK AWD AUTO		BV	4-DR WGN OUTBACK LTD AWD					
WAGON OUTBACK AW/PK W/ICSS AWD		BW	30 ANN AUTO		BY			
WAGON OUTBACK AW/PK W/ICSS AWD		BX	4-DR WGN OUTBACK LTD AWD					
WAGON OUTBACK AWD 5-SP		BQ	W/MR 30 ANN AUTO		BZ			
WAGON OUTBACK AWD AUTO		BR						
WAGON OUTBACK AWD W/ICSS 5-SP		BS						
WAGON OUTBACK AWD W/ICSS AUTO		BT						
WAGON OUTBACK LTD AWD 5-SP		BY						
WAGON OUTBACK LTD AWD AUTO		BZ						
<b>SUZUKI</b>			<b>SUZUKI</b>			<b>SUZUKI</b>		
<b>ESTEEM</b>						<b>ESTEEM</b>		
4-DR SEDAN GL 1.8 5-SP		SGL77C				4-DR WAGON GL 5-SP		WGN632
4-DR SEDAN GL 1.8 AUTO		SGL78C				4-DR WAGON GL AUTO		WGN642
4-DR SEDAN GLX 1.8 5-SP		SGL775				4-DR WAGON GLX 5-SP		WGN63E
4-DR SEDAN GLX 1.8 AUTO		SGL785				4-DR WAGON GLX AUTO		WGN64E
4-DR SEDAN GLX PLUS 1.8 AUTO		SGL78G				4-DR WAGON GLX PLUS AUTO		WGN64F
4-DR SEDAN GLX W/SP PKG 5-SP		SGL77F						
4-DR SEDAN GLX W/SP PKG AUTO		SGL78F						
4-DR WAGON GL 1.8 5-SP		WGN77C						
4-DR WAGON GL 1.8 AUTO		WGN78C						
4-DR WAGON GLX 1.8 5-SP		WGN77E						
4-DR WAGON GLX 1.8 AUTO		WGN78E						
4-DR WAGON GLX PLUS 1.8 AUTO		WGM78F						
<b>SWIFT</b>								
3-DR HATCHBACK GL 5-SP		HES533						
3-DR HATCHBACK GL AUTO		HES553						
<b>TOYOTA</b>			<b>TOYOTA</b>			<b>TOYOTA</b>		
<b>AVALON</b>			<b>CAMRY</b>			<b>COROLLA</b>		
4-DR SEDAN XL BENCH		3536	2-DR COUPE SOLARA 4CYL SE 5-SP		2731	4-DR SEDAN CE 5-SP		1721
4-DR SEDAN XL BUCKETS		3534	2-DR COUPE SOLARA 4CYL SE AUTO		2732	4-DR SEDAN CE AUTO		1722
4-DR SEDAN XLS BENCH		3546	2-DR COUPE SOLARA V6 SE 5-SP		2733	4-DR SEDAN LE 5-SP		1737
4-DR SEDAN XLS BUCKETS		3544	2-DR COUPE SOLARA V6 SE AUTO		2734	4-DR SEDAN LE AUTO		1738
			2-DR COUPE SOLARA V6 SLE AUTO		2744	4-DR SEDAN VE 5-SP		1714
<b>CELICA</b>			4-DR SEDAN LE V6 5-SP		2533	4-DR SEDAN VE AUTO		1715
2-DR LIFTBACK GTS 5-SP		2133						
2-DR LIFTBACK GTS AUTO		2134						
3-DR LIFTBACK GT 5-SP		2123						
3-DR LIFTBACK GT AUTO		2124						



**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, 1999 - 1998 - 1997**

**AUTOS  
PAGE 9 OF 9**

DECEMBER 31, 1999				DECEMBER 31, 1998				DECEMBER 31, 1997			
MAKE				MAKE				MAKE			
MDL	BODY STYLE	CODE		MDL	BODY STYLE	CODE		MDL	BODY STYLE	CODE	
<b>TOYOTA</b>				<b>TOYOTA</b>				<b>TOYOTA</b>			
<b>ECHO</b>											
	2-DR SEDAN 5-SP	1413									
	2-DR SEDAN AUTO	1414									
	4-DR SEDAN 5-SP	1415									
	4-DR SEDAN AUTO	1416									
<b>VOLKSWAGEN</b>				<b>VOLKSWAGEN</b>				<b>VOLKSWAGEN</b>			
<b>BEETLE</b>				<b>BEETLE</b>				<b>BEETLE</b>			
	2-DR GLS 1.8 5-SP	1C15T4		2-DR GLS 2.0 5-SP	1C15K4			2-DR HATCHBACK 5-SP	1C13L4		
	2-DR GLS 1.8 AUTO	1C15T3		2-DR GLS 2.0 AUTO	1C15K3			2-DR HATCHBACK AUTO	1C13L3		
	2-DR GLX 1.8 5-SP	1C17T4		2-DR GLS 2.0 CNYM 5-SP	1C15M4			2-DR GL 2.0 CNYM 5-SP	1C13M4		
	2-DR GLX 1.8 AUTO	1C17T3		2-DR GLS 2.0 CNYM AUTO	1C15M3			2-DR GL 2.0 CNYM AUTO	1C13M3		
<b>CABRIO</b>				<b>GOLF</b>				<b>CABRIO</b>			
	2-DR GL 5-SP	1V72N4		2-DR HATCHBACK GTI VR6 5-SP	1W1V74			2-DR CONVERTIBLE BASE CNYM 5-SP	1V72M4		
	2-DR GL AUTO	1V72N3		2-DR HATCHBACK GTI VR6 CNYM 5-SP	1W1VM4			2-DR CONVERTIBLE BASE CNYM AUTO	1V72M3		
	2-DR GLS 5-SP	1V73N4		4-DR HATCHBACK GL 5-SP	1W13Q4			2-DR CONVERTIBLE GLS CNYM 5-SP	1V73M4		
	2-DR GLS AUTO	1V73N3		4-DR HATCHBACK GL AUTO	1W13Q3			2-DR CONVERTIBLE GLS CNYM AUTO	1V73M3		
<b>JETTA</b>				<b>JETTA</b>				<b>JETTA</b>			
	4-DR SEDAN GLS 2.8 5-SP	9M28W4		4-DR HATCHBACK GL CNYM 5-SP	1W13M4			4-DR MUSIC ED 5-SP	1H2UM4		
	4-DR SEDAN GLS 2.8 AUTO	9M28W3		4-DR HATCHBACK GL CNYM AUTO	1W13M3			4-DR SEDAN K2 5-SP	1W2LQ4		
	4-DR SEDAN GLX 2.8 5-SP	9M26W4		4-DR HATCHBACK WOLFSBURG 5-SP	1W1WQ4			4-DR SEDAN K2 AUTO	1W2LQ3		
	4-DR SEDAN GLX 2.8 AUTO	9M26W3		4-DR HATCHBACK WOLFSBURG AUTO	1W1WQ3			4-DR SEDAN K2 CNYM 5-SP	1W2LM4		
<b>PASSAT</b>				<b>JETTA</b>				<b>PASSAT</b>			
	4-DR SEDAN GLX 5-SP	3B25SR		4-DR SEDAN GL 2.0 5-SP	9M22K4			4-DR SEDAN K2 CNYM AUTO	1W2LM3		
	4-DR SEDAN GLX AUTO	3B25ST		4-DR SEDAN GL 2.0 AUTO	9M22K3			4-DR SEDAN GLS 5-SP	3B24K5		
	5-DR WAGON GLX 5-SP	3B55SR		4-DR SEDAN GL 2.0 CNYM 5-SP	9M22M4			4-DR SEDAN GLS AUTO	3B24K9		
	5-DR WAGON GLX AUTO	3B55ST		4-DR SEDAN GL 2.0 CNYM AUTO	9M22M3			4-DR SEDAN GLS TDI 5-SP	3B2445		
				4-DR SEDAN GL TDI 1.9 5-SP	9M2254			4-DR SEDAN GLS TDI AUTO	3B2448		
				4-DR SEDAN GL TDI 1.9 AUTO	9M2253			4-DR SEDAN GLS V6 5-SP	3B24S5		
				4-DR SEDAN GLS 2.0 5-SP	9M28K4			4-DR SEDAN GLS V6 AUTO	3B24S9		
				4-DR SEDAN GLS 2.0 AUTO	9M28K3			4-DR SEDAN GLX 5-SP	3B25S5		
				4-DR SEDAN GLS 2.0 CNYM 5-SP	9M28M4			4-DR SEDAN GLX AUTO	3B25S9		
				4-DR SEDAN GLS 2.0 CNYM AUTO	9M28M3						
				4-DR SEDAN GLS TDI 1.9 5-SP	9M2854						
				4-DR SEDAN GLS TDI 1.9 AUTO	9M2853						
				<b>PASSAT</b>							
				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						
<b>VOLVO</b>				<b>VOLVO</b>				<b>VOLVO</b>			
<b>40 SERIES</b>				<b>70 SERIES</b>				<b>70 SERIES</b>			
	S40 4-DR SEDAN AUTO	S40A		C70 2-DR CONVERTIBLE AUTO	C70LTACV			5-DR WAGON AWD XC AUTO	V70AWXC		
	S40 4-DR SEDAN W/DR AUTO	S40AS		C70 2-DR COUPE LT W/SR AUTO	C70LTASR			C70 2-DR COUPE 5-SP	C70M		
	V40 5-DR WAGON AUTO	V40A		S70 4-DR SEDAN AWD AUTO	S70AWDA			C70 2-DR COUPE AUTO	C70A		
	V40 5-DR WAGON W/SR AUTO	V40AS		<b>80 SERIES</b>				S70 4-DR SEDAN T5 5-SP	S70T5M		
<b>70 SERIES</b>				4-DR SEDAN 2.9 AUTO	S80 2.9			V70 5-DR WAGON R AWD AUTO	V70RAWA		
	C70 2-DR CONVERTIBLE HT 5-SP	C70HTMCV		4-DR SEDAN T-6 AUTO	S80 T-6			V70 5-DR WAGON T5 5-SP	V70T5M		
	C70 2-DR COUPE LT AUTO	C70LTA									





DE FILIPPS'

# LIFO LOOKOUT

2000

# NEW ITEM REPORT

**PLEASE NOTE:** All articles and the entire contents of this publication are subject to copyright and are the proprietary intellectual property of the author and publisher, Willard J. De Filippis. No article, nor any portion of this publication, is to be reproduced or distributed without the express written authorization of Willard J. De Filippis. Any prior permission to reproduce and/or distribute, unless expressed in a written document, is null and void.

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, 1999 - 1998 - 1997												LIGHT-DUTY TRUCKS
DECEMBER 31, 1999				DECEMBER 31, 1998				DECEMBER 31, 1997				PAGE 1 OF 9
MAKE		MAKE		MAKE		MAKE		MAKE		MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	
<b>ACURA</b>			<b>ACURA</b>			<b>ACURA</b>			<b>ACURA</b>			
<b>BMW</b>			<b>BMW</b>			<b>BMW</b>			<b>BMW</b>			
X5	SPORT UTILITY VEHICLE	62	<b>CADILLAC</b>			<b>CADILLAC</b>			<b>CADILLAC</b>			
<b>CHEVROLET/GEO</b>			<b>CHEVROLET/GEO</b>			<b>CHEVROLET/GEO</b>			<b>CHEVROLET/GEO</b>			
<b>S10 PICKUP</b>			<b>ASTRO VAN</b>			<b>BLAZER</b>			<b>BLAZER</b>			
2WD EXT CAB BASE		CS10653	PASSENGER VAN AWD CWOI		CL11006 CWOI	4-DR LS PLUS W/1SX CWOI		CS10506 1SX	4-DR LS W/15W CWOI		CS10506 15W	
4WD EXT CAB BASE		CT10653	<b>BLAZER</b>			2-DR 2WD BASE		CS10516	4-DR LS W/1SX CWOI		CT10506 1SX	
<b>SILVERADO</b>			<b>BLAZER</b>			2-DR 2WD LS		CS10516 LS	4-DR LT W/1SW CWOI		CT10506 1SW	
4-DR 2WD C1500 EXT CAB LS LWB		CC15953 LS4DR	2-DR 4WD BASE		CT10516	2-DR 4WD LS		CT10516 LS	4-DR LT W/1SY CWOI		CS10506 1SY	
4-DR 2WD C1500 EXT CAB LT SWB		CC15753 LT4DR	4-DR 2WD LS		CS10506 LS	4-DR 2WD LT		CS10506 LT	4-DR LT W/1SY CWOI		CT10506 1SY	
4-DR 2WD C1500 EXT CAB LWB		CC15953 4DR	4-DR 2WD TRAILBLAZER		CS10506 TB	4-DR 2WD TRAILBLAZER		CS10506 TB	<b>C-K PICKUP</b>			
4-DR 2WD C1500 EXT CAB SWB		CC15753 4DR	4-DR 4WD LS		CT10506 LS	4-DR 4WD LS		CT10506 LS	2WD C1500 F/S EXT CWOI		CC10753 CWOI	
4-DR 2WD C2500 EXT CAB LS LWB		CC25953 LS4DR	4-DR 4WD LT		CT10506 LT	4-DR 4WD LT		CT10506 LT	2WD C1500 S/S XCAB SWB SILVERADO		CC10753 SSS	
4-DR 2WD C2500 EXT CAB LT LWB		CC25953 LT4DR	4-DR 4WD TRAILBLAZER		CT10506 TB	4-DR 4WD TRAILBLAZER		CT10506 TB	2WD F/S EXT CWOI		CC10953 CWOI	
4-DR 2WD C2500 EXT CAB LT SWB		CC25753 LT4DR	<b>C-K PICKUP</b>			2WD C2500 CREW CAB SWB		CC20743	4WD K1500 S/S XCAB SWB SILVERADO		CK10753 SSS	
4-DR 2WD C2500 EXT CAB LWB		CC25953 4DR	2WD C2500 CREW CAB SWB		CC20743	2WD C3500 CREW CAB SWB		CC30743	<b>S10 PICKUP</b>			
4-DR 2WD C2500 EXT CAB SWB		CC25753 4DR	4WD K2500 CREW CAB SWB		CK20743	4WD K2500 CREW CAB SWB		CK20743	2WD F/S EXT CAB LS 1ST CWOI		CS10653 FLS1ST	
4-DR 4WD C1500 EXT CAB LT LWB		CC15953 LT4DR	4WD K3500 CREW CAB SWB		CK30743	<b>SILVERADO</b>			2WD S/S EXT CAB LS 1ST CWOI		CS10653 1SW	
4-DR 4WD K1500 EXT CAB LS LWB		CK15953 LS4DR	2WD C1500 EXT CAB LS LWB		CC15953 LS	2WD C1500 EXT CAB LS SWB		CC15753 LS	2WD S/S REG CAB LS 1ST CWOI		CS10653 1ST	
4-DR 4WD K1500 EXT CAB LT LWB		CK15753 LT4DR	2WD C1500 EXT CAB LT LWB		CC15953 LT	2WD C1500 EXT CAB LT SWB		CC15753 LT	<b>SUBURBAN</b>			
4-DR 4WD K1500 EXT CAB SWB		CK15753 4DR	2WD C1500 EXT CAB LWB		CC15953	2WD C1500 EXT CAB LWB		CC15953	2WD C1500 CWOI		CC10906 CWOI	
4-DR 4WD K2500 EXT CAB LS LWB		CK25953 LS4DR	2WD C1500 EXT CAB SWB		CC15753	2WD C1500 REG CAB LS LWB		CC15903 LS	4WD C1500 CWOI		CK10906 CWOI	
4-DR 4WD K2500 EXT CAB LT LWB		CK25953 LT4DR	2WD C1500 REG CAB LS SWB		CC15703 LS	2WD C1500 REG CAB LS SWB		CC15703 LS	<b>TAHOE</b>			
4-DR 4WD K2500 EXT CAB LWB		CK25753 4DR	2WD C1500 REG CAB LWB		CC15903	<b>TRACKER</b>			4-DR 2WD CWOI		CC10706 CWOI	
4-DR 4WD K2500 EXT CAB SWB		CK25753 4DR				2-DR 2WD CONVERTIBLE CWOI		CE10367 CWOI	4-DR 4WD CWOI		CK10706 CWOI	
						2-DR 4WD CONVERTIBLE CWOI		CJ10367 CWOI				
						4-DR 2WD HARDTOP CWOI		CE10305 CWOI				
						4-DR 4WD HARDTOP CWOI		CJ10305 CWOI				



**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/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

**LIGHT-DUTY  
TRUCKS**

PAGE 2 OF 9

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>CHEVROLET/GEO</b>			<b>CHEVROLET/GEO</b>			<b>CHEVROLET/GEO</b>		
<b>SUBURBAN</b>			<b>SILVERADO (continued)</b>			<b>VENTURE</b>		
2WD 1500		CC15906	2WD C1500 REG CAB SWB		CC15703	3-DR CARGO EXT WB		1UM06 Z10
2WD 2500		CC25906	2WD C2500 EXT CAB LS LWB		CC25953 LS	4-DR CARGO EXT WB		1UM16 Z10
4WD 1500		CK15906	2WD C2500 EXT CAB LT LWB		CC25953 LT	4-DR CARGO EXT WB 1SW CWOI		1UM16 1SW
4WD 2500		CK25906	2WD C2500 EXT CAB LT SWB		CC25753 LT			
<b>TAHOE</b>			2WD C2500 EXT CAB LWB		CC25953			
4-DR 2WD		CC15706	2WD C2500 EXT CAB SWB		CC25753			
4-DR 2WD LT		CC10706 LT	2WD C2500 EXT CAB LS SWB		CC25753 LS			
4-DR 4WD		CK15706	2WD C2500 REG CAB H/D		CC25903 HD			
4-DR 4WD Z71		CK10706 Z71	2WD C2500 REG CAB H/D LS		CC25903 HDLS			
<b>VENTURE</b>			2WD C2500 REG CAB L/D		CC25903 LD			
4-DR PASS WARNER BROS ED LWB		1UM16 WB	2WD C2500 REG CAB L/D LS		CC25903 LDLS			
4-DR PASSENGER LS LWB		1UM16 LS	4WD K1500 EXT CAB LS LWB		CK15953 LS			
4-DR PASSENGER LS SWB		1UN16 LS	4WD K1500 EXT CAB LS SWB		CK15753 LS			
4-DR PASSENGER LT LWB		1UM16 LT	4WD K1500 EXT CAB LT LWB		CK15953 LT			
4-DR PASSENGER PLUS LWB		1UM16 PL	4WD K1500 EXT CAB LT SWB		CK15753 LT			
4-DR PASSENGER PLUS SWB		1UN16 PL	4WD K1500 EXT CAB LWB		CK15953			
4-DR PASSENGER VALUE SWB		1UN16 VAL	4WD K1500 EXT CAB SWB		CK15753			
			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			
			<b>SILVERADO CHASSIS CAB</b>					
			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			
			<b>TRACKER</b>					
			2-DR 2WD CONVERTIBLE		CE10367			
			2-DR 4WD CONVERTIBLE		CJ10367			
			4-DR 2WD HARDTOP		CE10305			
			4-DR 4WD HARDTOP		CJ10305			
<b>CHRYSLER</b>			<b>CHRYSLER</b>			<b>CHRYSLER</b>		
<b>TOWN &amp; COUNTRY</b>			<b>TOWN &amp; COUNTRY</b>					
MPV LXI AWD		NSCP53	MPV LTD AWD		NSCS53 LTD			
MPV LXI FWD		NSYP53	MPV LTD FWD		NSYS53 LTD			
<b>DODGE</b>			<b>DODGE</b>			<b>DODGE</b>		
<b>CARAVAN</b>			<b>CARAVAN</b>			<b>DURANGO</b>		
GRAND CARAVAN SPORT AWD		NSDH53 SP	CARAVAN SPORT		NSKH52 SP	4-DR 4WD WAGON		DN5L74
<b>DAKOTA</b>			GRAND CARAVAN ES		NSKX53 ES	<b>RAM PICKUP</b>		
4X2 QUAD CAB		AN1L84	GRAND CARAVAN ES AWD		NSDX53 ES	2WD BR1500 QUAD CAB LWB		BE1L34
4X4 QUAD CAB		AN5L84	GRAND CARAVAN SPORT		NSKH53 SP	2WD BR1500 QUAD CAB SWB		BE1L33
<b>RAM VAN</b>			<b>DURANGO</b>			2WD BR2500 QUAD CAB LWB		BE2L34
2500 CONVERSION VAN 127WB		AB2X12	4-DR 2WD WAGON		DN1L74	2WD BR2500 QUAD CAB SWB		BE2L33
3500 CONV. MAXI VAN 127WB		AB3X13				2WD BR3500 QUAD CAB SWB		BE3L34
3500 CONVERSION VAN 127WB		AB3X12				4WD BR1500 QUAD CAB LWB		BE6L34
						4WD BR1500 QUAD CAB SWB		BE6L33
						4WD BR2500 QUAD CAB LWB		BE7L33
						4WD BR2500 QUAD CAB SWB		BE7L34
						4WD BR3500 QUAD CAB 4WD DRW		BE8L34
						<b>RAM VANS</b>		
						B1500 MAXI-VAN 127 WB		AB1L13



**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**

**LIGHT-DUTY  
TRUCKS  
PAGE 3 OF 9**

**W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>FORD</b>			<b>FORD</b>			<b>FORD</b>		
<b>CUTAWAY VAN</b>			<b>F250 SUPER DUTY PICKUP</b>			<b>RANGER</b>		
COMM CUTAWAY S.D 158 WB	E45	158	2WD CREW CAB LARIAT LWB	W20	LARLWB	4X2 REG CAB SPLASH 112 WB	R10	SPL112
<b>ECONOLINE VAN/WAGON</b>			2WD CREW CAB LARIAT SWB	W20	LARSWB	4X2 REG CAB XL 112 WB	R10	XL112
E150 4X2 RV VAN	E14	RV	2WD CREW CAB XL LWB	W20	XLLWB	4X2 REG CAB XL 118 WB	R10	XL118
E250 4X2 EXT RV VAN	E24	RV	2WD CREW CAB XL SWB	W20	XLSWB	4X2 REG CAB XLT 112 WB	R10	XLT112
E250 4X2 REG RV VAN	E24	RV	2WD CREW CAB XLT LWB	W20	XLTLWB	4X2 REG CAB XLT 118 WB	R10	XLT118
E350 4X2 SUPER DUTY EXT RV VAN	S34	RV	2WD CREW CAB XLT SWB	W20	XLTSWB	4X2 SUPERCAB SPLASH 126 WB	R14	SPL126
E350 4X2 SUPER DUTY RV VAN	E34	RV	2WD REG CAB LARIAT	F20	LAR	4X2 SUPERCAB XL 126 WB	R14	XL126
<b>EXCURSION</b>			2WD REG CAB XL	F20	XL	4X2 SUPERCAB XLT 126 WB	R14	XLT126
4X2 WAGON LTD	U42		2WD REG CAB XLT	F20	XLT	4X4 REG CAB SPLASH 112 WB	R11	SPL112
4X2 WAGON XLT	U40		2WD SUPERCAB LARIAT LWB	X20	LARLWB	4X4 REG CAB XL 112 WB	R11	XL112
4X4 WAGON LTD	U43		2WD SUPERCAB LARIAT SWB	X20	LARSWB	4X4 REG CAB XL 118 XB	R11	XL118
4X4 WAGON XLT	U41		2WD SUPERCAB XL LWB	X20	XLLWB	4X4 REG CAB XLT 112 WB	R11	XLT112
<b>EXPLORER</b>			2WD SUPERCAB XL SWB	X20	XLSWB	4X4 REG CAB XLT 118 WB	R11	XLT118
4X2 4-DR XLS	U62	XLS	2WD SUPERCAB XLT LWB	X20	XLTLWB	4X4 SUPERCAB SPLASH 126 WB	R15	SPL126
4X4 4-DR XLS	U72	XLS	2WD SUPERCAB XLT SWB	X20	XLTSWB	4X4 SUPERCAB XL 126 WB	R15	XL126
<b>EXPLORER SPORT</b>			4WD CREW CAB LARIAT LWB	W21	LARLWB	4X4 SUPERCAB XLT 126 WB	R15	XLT126
4X2 2-DR WAGON SPORT	U60		4WD CREW CAB LARIAT SWB	W21	LARSWB			
4X2 4-DR SPORT TRAC	U67		4WD CREW CAB XL LWB	W21	XLLWB			
4X4 2-DR WAGON SPORT	U70		4WD CREW CAB XL SWB	W21	XLSWB			
4X4 4-DR SPORT TRAC	U77		4WD CREW CAB XLT LWB	W21	XLTLWB			
<b>F150 PICKUP</b>			4WD CREW CAB XLT SWB	W21	XLTSWB			
4X2 REG CAB F/S SVT LIGHTNING SWB	F07	SVTSWB	4WD REG CAB LARIAT	F21	LAR			
<b>F150 SUPERCREW</b>			4WD REG CAB XL	F21	XL			
2WD CREW CAB LARIAT	W07	LAR	4WD REG CAB XLT	F21	XLT			
2WD CREW CAB XLT	W07		4WD SUPERCAB LARIAT LWB	X21	LARLWB			
4WD CREW CAB LARIAT	W08	LAR	4WD SUPERCAB LARIAT SWB	X21	LARSWB			
4WD CREW CAB XLT	W08		4WD SUPERCAB XL LWB	X21	XLLWB			
<b>WINDSTAR</b>			4WD SUPERCAB XL SWB	X21	XLSWB			
4-DR WAGON LIMITED	A53	LTD	4WD SUPERCAB XLT LWB	X21	XLTLWB			
			4WD SUPERCAB XLT SWB	X21	XLTSWB			
			<b>F350 SUPER DUTY PICKUP</b>					
			2WD CREW CAB LARIAT DRW LWB	W32	LARLWB			
			2WD CREW CAB LARIAT DRW SWB	W32	LARSWB			
			2WD CREW CAB LARIAT SRW LWB	W30	LARLWB			
			2WD CREW CAB LARIAT SRW SWB	W30	LARSWB			
			2WD CREW CAB XL DRW LWB	W32	XLLWB			
			2WD CREW CAB XL DRW SWB	W32	XLSWB			
			2WD CREW CAB XL SRW LWB	W30	XLLWB			
			2WD CREW CAB XL SRW SWB	W30	XLSWB			
			2WD CREW CAB XLT DRW LWB	W32	XLTLWB			
			2WD CREW CAB XLT DRW SWB	W32	XLTSWB			
			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			



**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/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

**LIGHT-DUTY  
 TRUCKS  
 PAGE 4 OF 9**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE		CODE	MAKE		CODE	MAKE		CODE
MDL	BODY STYLE		MDL	BODY STYLE		MDL	BODY STYLE	
	<b>FORD</b>			<b>FORD</b>			<b>FORD</b>	
				<b>F350 SUPER DUTY PICKUP (continued)</b>				
				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 XLTLWB			
				4WD CREW CAB XLT DRW SWB	W33 XLTSWB			
				4WD CREW CAB XLT SRW LWB	W31 XLTLWB			
				4WD CREW CAB XLT SRW SWB	W31 XLTSWB			
				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 LARLWB			
				4WD SUPERCAB LARIAT SRW SWB	X31 LARSWB			
				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 XLTLWB			
				4WD SUPERCAB XLT SRW SWB	X31 XLTSWB			
				<b>SUPER DUTY CAB/CHASSIS</b>				
				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 XLTLWB			
				2WD F350 REG CAB DRW XLT SWB	F36 XLTSWB			
				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 XLTLWB			
				4WD F350 REG CAB DRW XLT SWB	F37 XLTSWB			
				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			
				<b>WINDSTAR</b>				
				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			



**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**

LIGHT-DUTY  
TRUCKS  
PAGE 5 OF 9

**W/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>GMC TRUCKS</b>			<b>GMC TRUCKS</b>			<b>GMC TRUCKS</b>		
<b>JIMMY</b>			<b>C-K SIERRA PICKUP</b>			<b>C-K SIERRA PICKUP</b>		
2WD 4-DR WAGON JDE 1SH/1SJ		TS10506 1SH	2WD 2500 CREW CAB 154.5		TC20743	C1500 S/S EXT CAB SWB		C10753 SS
4WD 4-DR WAGON JDE 1SH/1SJ		TT10506 1SH	4WD 2500 CREW CAB 154.5		TK20743	C1500 W/S EXT CAB SWB 1SV CWOI		C10753 1SV
4WD 4-DR WAGON JDE 1SK		TT10506 1SK	2WD 3500 CREW CAB 154.5		TC30743	K1500 S/S EXT CAB SWB		K10753 SS
<b>SIERRA 2500 CAB/CHASSIS</b>			4WD 3500 CREW CAB 154.5		TK30743	<b>CHASSIS LO-PRO</b>		
C2500 2WD SL		TC25903 SL	<b>JIMMY</b>			FORWARD CONTROL CHASSIS		TP30842
C2500 2WD SLE		TC25903 SLE	2WD 2-DR WAGON R9S		TS10516 R9S	FORWARD CONTROL CHASSIS		TP31042
K2500 4WD SL		TK25903 SL	2WD 4-DR WAGON YC5		TS10506 YC5	<b>JIMMY</b>		
K2500 4WD SLE		TK25903 SLE	2WD 4-DR WAGON YC6		TS10506 YC6	2WD 4-DR WAGON R6V CWOI		TS10506 R6V
<b>SIERRA PICKUP</b>			4WD 2-DR WAGON R9S		TT10516 R9S	4-DR 4WD WAGON YC6 CWOI		TT10506 CWOI
2WD 4-DR 1500 EXT CAB SL LWB		TC15953 SL4DR	4WD 4-DR WAGON ENVOY		TT10506 ENV	<b>S15 SONOMA</b>		
2WD 4-DR 1500 EXT CAB SL SWB		TC15753 SL4DR	4WD 4-DR WAGON YC5		TT10506 YC5	2WD S/S REG CAB CWOI		TS10603 CWOI
2WD 4-DR 1500 EXT CAB SLE LWB		TC15953 SLE4DR	4WD 4-DR WAGON YC6		TT10506 YC6	2WD W/S EXT CAB 1SV CWOI		S10653 1SV
2WD 4-DR 1500 EXT CAB SLE SWB		TC15753 SLE4D	<b>SIERRA CLASSIC</b>			2WD W/S EXT CAB R6V CWOI		S10653 R6V
2WD 4-DR 2500 EXT CAB SL SWB		TC25753 SL4DR	2WD 1500 W/S EXT CAB		TC10753	<b>YUKON</b>		
2WD 4-DR 2500 EXT CAB SL SWB		TC25953 SL4DR	4WD 1500 W/S EXT CAB		TK10753	4-DR 4WD YUKON DENALI		K10706 DEN
2WD 4-DR 2500 EXT CAB SLE LWB		TC25953 SLE4D	<b>SIERRA PICKUP</b>					
2WD 4-DR 2500 EXT CAB SLE SWB		TC25753 SLE4DR	2WD 1500 EXT CAB SL LWB		TC15953 SL			
4WD 4-DR 1500 EXT CAB SL LWB		TK15953 SL4DR	2WD 1500 EXT CAB SL SWB		TC15753 SL			
4WD 4-DR 1500 EXT CAB SL SWB		TK15753 SL4DR	2WD 1500 EXT CAB SLE LWB		TC15953 SLE			
4WD 4-DR 1500 EXT CAB SLE LWB		TK15953 SLE4DR	2WD 1500 EXT CAB SLE SWB		TC15753 SLE			
4WD 4-DR 1500 EXT CAB SLE SWB		TK15753 SLE4DR	2WD 1500 REG CAB SL LWB		TC15903 SL			
4WD 4-DR 2500 EXT CAB SL LWB		TK25953 SL4DR	2WD 1500 REG CAB SL SWB		TC15703 SL			
4WD 4-DR 2500 EXT CAB SL SWB		TK25753 SL4DR	2WD 1500 REG CAB SLE LWB		TC15903 SLE			
4WD 4-DR 2500 EXT CAB SLE LWB		TK25953 SLE4DR	2WD 1500 REG CAB SLE SWB		TC15703 SLE			
4WD 4-DR 2500 EXT CAB SLE SWB		TK25753 SLE4DR	2WD 2500 EXT CAB SL LWB		TC25953 SL			
<b>SONOMA</b>			2WD 2500 EXT CAB SL SWB		TC25753 SL			
2WD W/S EXT CAB R9S		TS10653 R9S	2WD 2500 EXT CAB SLE LWB		TC25953 SLE			
4WD W/S EXT CAB R9S		TT10653 R9S	2WD 2500 EXT CAB SLE SWB		TC25753 SLE			
<b>YUKON</b>			2WD 2500 REG CAB SL H/D		TC25903 SLHD			
2WD YUKON XL 1/2 TON		TC15906	2WD 2500 REG CAB SL L/D		TC25903 SL			
2WD YUKON XL 3/4 TON		TC25906	2WD 2500 REG CAB SLE H/D		TC25903 SLEHD			
2WD 4-DR YUKON		TC15706	2WD 2500 REG CAB SLE L/D		TC25903 SLE			
4WD 4-DR YUKON		TK15706	4WD 1500 EXT CAB SL LWB		TK15953 SL			
4WD YUKON XL 1/2 TON		TK15906	4WD 1500 EXT CAB SL SWB		TK15753 SL			
4WD YUKON XL 3/4 TON		TK25906	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			
<b>HONDA</b>			<b>HONDA</b>			<b>HONDA</b>		
<b>ODYSSEY</b>			<b>CR-V</b>			<b>CR-V</b>		
5-DR EX-NAVI 4-SP		RL187	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	<b>PASSPORT</b>		
			4WD 5-DR LX 5-SP		RD174	2WD 4-DR EX AUTO		9B226
			<b>ODYSSEY</b>			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 WWWHEEL 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 WWWHEEL PKG		9B325



**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, 1999 - 1998 - 1997**

**LIGHT-DUTY  
TRUCKS  
PAGE 6 OF 9**

DECEMBER 31, 1998			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>INFINITI</b>			<b>INFINITI</b>			<b>INFINITI</b>		
<b>QX4</b>								
4-DR LUXURY SUV		7101						
<b>ISUZU</b>			<b>ISUZU</b>			<b>ISUZU</b>		
<b>HOMBRE</b>			<b>AMIGO</b>			<b>HOMBRE</b>		
2WD SPACECAB S 5-SP		P05	2WD S 5-SP		B15	2WD REG CAB S AUTO		P14
2WD SPACECAB S AUTO		P04	2WD S HARDTOP 5-SP		E15	2WD REG CAB XS AUTO		P24
2WD SPACECAB S V6 AUTO		P74	2WD S HARDTOP V6 AUTO		F14	2WD SPACECAB XS AUTO		P54
4WD SPACECAB S V6 5-SP		T75	2WD S V6 AUTO		A14	4WD REG CAB S 5-SP		T35
4WD SPACECAB S V6 AUTO		T74	4WD S 5-SP		C15	4WD SPACECAB S AUTO		T64
<b>TROOPER</b>			4WD S HARDTOP V6 AUTO		G14	4WD SPACECAB XS 5-SP		T65
2WD LS AUTO		K64	4WD S V6 5-SP		D15			
2WD LTD AUTO		K74	4WD S V6 AUTO		D14	<b>RODEO</b>		
2WD S AUTO		K44				2WD 4-DR (4 CYL) S 5-SP		P45
<b>VEHICROSS</b>			<b>RODEO</b>			2WD 4-DR LS AUTO		R64
2-DR AUTO		X74	2WD 4-DR LS 5-SP		R55	2WD 4-DR S 5-SP		R45
			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
			<b>TROOPER</b>			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
<b>JEEP</b>			<b>JEEP</b>			<b>JEEP</b>		
<b>CHEROKEE</b>			<b>GRAND CHEROKEE</b>			<b>CHEROKEE</b>		
2-DR 2WD WAGON SPORT		XJTH72 SP	4-DR 2WD WAGON LAREDO		WJTL74 LAR	4-DR 2WD WAGON CLASSIC		XJTL74 CL
2-DR 4WD WAGON SPORT		XJJH72 SP	4-DR 2WD WAGON LIMITED		WJTL74 LTD	4-DR 2WD WAGON LIMITED		XJTL74 LTD
4-DR 2WD WAGON CLASSIC		XJTP74 CL	4-DR 4WD WAGON LAREDO		WJL74 LAR	4-DR 4WD WAGON CLASSIC		XJL74 CL
4-DR 2WD WAGON LIMITED		XJTS74 LTD	4-DR 4WD WAGON LIMITED		WJL74 LTD	4-DR 4WD WAGON LIMITED		XJL74 LTD
4-DR 2WD WAGON SPORT		XJTH74 SP				<b>GRAND CHEROKEE</b>		
4-DR 4WD WAGON CLASSIC		XJJP74 CL				4-DR 2WD WAGON TSI		ZJTL74 TSI
4-DR 4WD WAGON LIMITED		XJJS74 LTD				4-DR 4WD WAGON 5.9 LIMITED		ZJL74 L5.9
4-DR 4WD WAGON SPORT		XJJH74 SP				4-DR 4WD WAGON TSI		ZJL74 TSI
<b>WRANGLER</b>						<b>KIA</b>		
WRANGLER SAHARA		TJJP77 SA						
WRANGLER SPORT		TJJH77 SPORT						
<b>KIA</b>			<b>KIA</b>			<b>KIA</b>		
			<b>SPORTAGE</b>					
			4X2 2-DR DOHC CONVERT AUTO		42212			
			4X4 2-DR DOHC CONVERT 5-SP		42411			
<b>LAND ROVER/RANGE ROVER</b>			<b>LAND ROVER/RANGE ROVER</b>			<b>LAND ROVER/RANGE ROVER</b>		
<b>RANGE ROVER</b>			<b>LAND ROVER DISCOVERY</b>			<b>DISCOVERY</b>		
4-DR 4WD 4.0		SXLD 4.0	4-DR 4WD HARDTOP SD AUTO		SDVZ SD	4-DR HARDTOP 4WD LSE AUTO		SDVZLSE
4-DR 4WD 4.6 HSK		SXLQ HSK	SERIES II W/CLOTH		SDVC			
4-DR 4WD 4.6 VITESSE		SXLQ VIT	SERIES II W/LEATHER		SDVL			
4-DR 4WD COUNTY		SXLD CTY	<b>RANGE ROVER</b>					
			4-DR 4WD 4.0 SE		SXLD			
			4-DR 4WD 4.6 HSE		SXLQ			
<b>LEXUS</b>			<b>LEXUS</b>			<b>LEXUS</b>		
			<b>LX 470</b>					
			LUXURY SPORT UTILITY AUTO		9620			
			LUXURY SPORT UTILITY AUTO CANY		9610			
			<b>RX 300</b>					
			4-DR 4WD LUX SPORT UT AUTO		9424			
			4-DR FWD LUX SPORT UT AUTO		9420			





**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, 1999 - 1998 - 1997**

LIGHT-DUTY  
TRUCKS  
PAGE 7 OF 9

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MDL	MAKE	CODE	MDL	MAKE	CODE	MDL	MAKE	CODE
<b>LINCOLN</b>			<b>LINCOLN</b>			<b>LINCOLN</b>		
<b>MAZDA</b>			<b>MAZDA</b>			<b>MAZDA</b>		
<b>B SERIES PICKUP</b>			<b>B SERIES PICKUP</b>			<b>B SERIES PICKUP</b>		
4X2 B2500 REG CAB TL 5-SP	B25STL2P		4X2 B2500 CAB PLUS 4 SE 5-SP	B254SE2P		4X2 B2500 CAB PLUS SE 5-SP	B25CSE2P	
4X2 B3000 CAB PLUS 4 TL 5-SP	B304TL2P		4X2 B3000 CAB PLUS 4 SE 5-SP	B304SE2P		4X2 B2500 REG CAB SE 5-SP	B25SSE2P	
4X2 B3000 CAB PLUS 4 TL AUTO	B304TL2A		4X2 B3000 CAB PLUS 4 SE AUTO	B304SE2A		4X2 B2500 REG CAB SE AUTO	B25SSE2A	
4X2 B3000 REG CAB SE 5-SP	B30SSE2P		4X2 B4000 CAB PLUS 4 SE AUTO	B404SE2A		4X2 B2500 REG CAB SX 5-SP	B25SSX2P	
4X2 B3000 REG CAB SE AUTO	B30SSE2A		4X2 B4000 REG CAB SE 5-SP	B40SSE2P		4X2 B2500 REG CAB SX AUTO	B25SSX2A	
4X2 B3000 REG CAB SX 5-SP	B30SSX2P		4X4 B3000 CAB PLUS 4 SE 5-SP	B3X4SEXP		4X2 B3000 CAB PLUS SE 5-SP	B30CSE2P	
4X2 B3000 REG CAB SX AUTO	B30SSX2A		4X4 B3000 CAB PLUS 4 SE AUTO	B3X4SEXA		4X2 B3000 CAB PLUS SE AUTO	B30CSE2A	
4X4 B4000 CAB PLUS 4 TL 5-SP	B4X4TLXP		4X4 B4000 CAB PLUS 4 SE 5-SP	B4X4SEXP		4X2 B4000 CAB PLUS SE 5-SP	B40CSE2P	
4X4 B4000 CAB PLUS 4 TL AUTO	B4X4TLXA		4X4 B4000 CAB PLUS 4 SE AUTO	B4X4SEXA		4X2 B4000 CAB PLUS SE AUTO	B40CSE2A	
<b>MPV</b>						4X4 B3000 CAB PLUS SE 5-SP	B3XCSEXP	
4-DR MINIVAN DX AUTO	MP2DXA					4X4 B3000 CAB PLUS SE AUTO	B3XCSEXA	
4-DR MINIVAN ES AUTO	MP2ESA					4X4 B3000 REG CAB SE 5-SP	B3XSSEXP	
4-DR MINIVAN LX AUTO	MP2LXA					4X4 B3000 REG CAB SE AUTO	B3XSSEXA	
						4X4 B3000 REG CAB SX 5-SP	B3XSSXXP	
						4X4 B4000 CAB PLUS SE 5-SP	B4XCSEXP	
						4X4 B4000 CAB PLUS SE AUTO	B4XCSEXA	
<b>MERCEDES</b>			<b>MERCEDES</b>			<b>MERCEDES</b>		
<b>M CLASS</b>			<b>M CLASS</b>			<b>M CLASS</b>		
ML55 AMG 4-DR SPORT UTILITY	ML55		ML430 4-DR SPORT UTILITY	ML430		ML320 4-DR SPORT UTILITY	ML320	
<b>MERCURY</b>			<b>MERCURY</b>			<b>MERCURY</b>		
<b>MOUNTAINEER</b>			<b>VILLAGER</b>			<b>MOUNTAINEER</b>		
2WD WAGON	U66		4-DR WAGON BASE	V11		4-DR 4WD WAGON	U54	
4WD WAGON	U76		4-DR WAGON ESTATE	V11 EST				
AWD WAGON	U86		4-DR WAGON SPORT	V11 SP				
<b>VILLAGER</b>								
5-DR WAGON ESTATE	V12							
5-DR WAGON SPORT	V14							
<b>MITSUBISHI</b>			<b>MITSUBISHI</b>			<b>MITSUBISHI</b>		
			<b>MONTERO SPORT</b>			<b>MONTERO</b>		
			4-DR 2WD SPORT LS V6 AUTO	MT45-D AUTO		4-DR V6 AUTO	MP45-B AUTO	
			4-DR 2WD SPORT LTD AUTO	MT45-P LTD		<b>MONTERO SPORT</b>		
			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 V6 5-SP	MT45-F 5-SP		4-DR 2WD XLS V6 AUTO	MT45-P 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				
<b>NISSAN</b>			<b>NISSAN</b>			<b>NISSAN</b>		
<b>FRONTIER PICKUP</b>			<b>FRONTIER PICKUP</b>			<b>FRONTIER PICKUP</b>		
2WD CREW CAB V6 SE 5-SP	5315		4WD KING CAB V6 SE 5-SP	6365		2WD KING CAB SE 5-SP	5325	
2WD CREW CAB V6 SE AUTO	5311		4WD KING CAB V6 SE AUTO	6361		2WD KING CAB SE AUTO	5321	
2WD CREW CAB V6 XE 5-SP	5305		4WD KING CAB V6 XE 5-SP	6375		2WD KING CAB XE 5-SP	5355	
2WD CREW CAB V6 XE AUTO	5301		4WD KING CAB V6 XE AUTO	6371		2WD KING CAB XE AUTO	5351	
2WD KC DESERT RUNNER SE V6 5-SP	3315		<b>QUEST</b>			2WD REG CAB XE 5-SP	3355	
2WD KC DESERT RUNNER SE V6 AUTO	3311		WAGON GLE AUTO	1051		2WD REG CAB XE AUTO	3351	
2WD KC DESERT RUNNER XE V6 5-SP	3305		WAGON GXE AUTO	1031		2WD STANDARD 5-SP	3305	
2WD KC DESERT RUNNER XE V6 AUTO	3301		WAGON SE AUTO	1041		4WD KING CAB SE 5-SP	5335	
4WD CREW CAB V6 SE 5-SP	6315					4WD KING CAB XE 5-SP	5375	
4WD CREW CAB V6 SE AUTO	6311					4WD REG CAB XE 5-SP	3375	



**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/R/T NEW VEHICLE INVENTORIES FOR TAXABLE YEARS ENDING ON DECEMBER 31, 1999 - 1998 - 1997**

LIGHT-DUTY  
TRUCKS  
PAGE 8 OF 9

DECEMBER 31, 1998			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>NISSAN</b>			<b>NISSAN</b>			<b>NISSAN</b>		
<b>FRONTIER PICKUP (continued)</b>								
	4WD CREW CAB V6 XE 5-SP	6305						
	4WD CREW CAB V6 XE AUTO	6301						
<b>PATHFINDER</b>								
	4-DR 4X2 LE AUTO	0931						
	4-DR 4X2 SE 5-SP	0945						
	4-DR 4X2 SE AUTO	0941						
	4-DR 4X2 XE AUTO	0921						
	4-DR 4X4 LE AUTO	0981						
	4-DR 4X4 SE 5-SP	0975						
	4-DR 4X4 SE AUTO	0971						
	4-DR 4X4 XE AUTO	0961						
<b>QUEST</b>								
	WAGON SE LEATHER AUTO	1051						
<b>XTERRA</b>								
	2WD SE V6 5-SP	0435						
	2WD SE V6 AUTO	0431						
	2WD XE I4 5-SP	0405						
	2WD XE V6 5-SP	0415						
	2WD XE V6 AUTO	0411						
	4WD SE V6 5-SP	0445						
	4WD SE V6 AUTO	0441						
	4WD XE V6 5-SP	0425						
	4WD XE V6 AUTO	0421						
<b>OLDSMOBILE</b>			<b>OLDSMOBILE</b>			<b>OLDSMOBILE</b>		
			<b>SILHOUETTE</b>					
				4-DR MINIVAN PREMIER ED EXT	3UM16 PR		4-DR MINIVAN GS REG WB 1SB	3UN16 1SB
<b>PLYMOUTH</b>			<b>PLYMOUTH</b>			<b>PLYMOUTH</b>		
						<b>GRAND VOYAGER</b>		
							MPV EXPRESSO FWD	NSHH53 E
						<b>VOYAGER</b>		
							MPV EXPRESSO FWD	NSHH52 E
<b>PONTIAC</b>			<b>PONTIAC</b>			<b>PONTIAC</b>		
<b>MONTANA</b>						<b>TRANS SPORT</b>		
	4-DR MINIVAN REG WB	2UV16					4-DR MINIVAN 1SF CWOI	2UN16 1SF
							4-DR MINIVAN 1SG CWOI	2UN16 1SG
							4-DR MINIVAN 1SH CWOI	2UN16 1SH
							4-DR MINIVAN EXT WB 1SH CWOI	2UM16 1SH
							4-DR MINIVAN SE REG WB	2UN16
<b>SUBARU</b>			<b>SUBARU</b>			<b>SUBARU</b>		
<b>FORESTER</b>						<b>FORESTER</b>		
	4-DR L AWD 5-SP	CA					4-DR AWD 5-SP	CA
	4-DR L AWD AUTO	CB					4-DR L AWD 5-SP	CB
	4-DR S AWD 5-SP	CC					4-DR L AWD AUTO	CC
	4-DR S AWD AUTO	CD					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



**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, 1999 - 1998 - 1997**

LIGHT-DUTY  
TRUCKS  
PAGE 8 OF 9

DECEMBER 31, 1999			DECEMBER 31, 1998			DECEMBER 31, 1997		
MAKE			MAKE			MAKE		
MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE	MDL	BODY STYLE	CODE
<b>SUZUKI</b>			<b>SUZUKI</b>			<b>SUZUKI</b>		
<b>GRAND VITARA</b>			<b>GRAND VITARA</b>			<b>SIDEKICK</b>		
4-DR 2WD HARDTOP LTD AUTO		LFN89W	4-DR 2WD HARDTOP JS 5-SP		LFN86F	4-DR 2WD HARDTOP SPORT JS 5-SP		LSL77C
4-DR 4WD HARDTOP LTD AUTO		LJN89W	4-DR 2WD HARDTOP JS AUTO		LFN89F	4-DR 2WD HARDTOP SPORT JS AUTO		LSL78C
<b>VITARA</b>			4-DR 2WD HARDTOP JS PLUS 5-SP		LFN86T			
2-DR 2WD 1.6 JS S/TOP AUTO		FME69C	4-DR 2WD HARDTOP JS PLUS AUTO		LFN89T			
2-DR 2WD 1.6 S/TOP 5-SP		FME66C	4-DR 4WD HARDTOP JLX 5-SP		LJN86F			
2-DR 2WD 2.0 JLS S/TOP 5-SP		FME83F	4-DR 4WD HARDTOP JLX AUTO		LJN89F			
2-DR 2WD 2.0 S/TOP JLS AUTO		FM384F	4-DR 4WD HARDTOP JLX PLUS 5-SP		LJN86T			
2-DR 4WD 1.6 S/TOP JX 5-SP		FGE66C	4-DR 4WD HARDTOP JLX PLUS AUTO		LJN89T			
2-DR 4WD 1.6 S/TOP JX AUTO		FGE69C						
2-DR 4WD 2.0 S/TOP JLX 5-SP		FGE83F						
2-DR 4WD 2.0 S/TOP JLX AUTO		FGE84F						
4-DR 2WD HARDTOP JLS 5-SP		LLN83E						
4-DR 2WD HARDTOP JLS AUTO		LLN84E						
4-DR 2WD HARDTOP JLS PLUS 5-SP		LLN83F						
4-DR 2WD HARDTOP JLS PLUS AUTO		LLN84F						
4-DR 2WD HARDTOP JS 5-SP		LLN83C						
4-DR 2WD HARDTOP JS AUTO		LLN84C						
4-DR 4WD HARDTOP JLX 5-SP		LKN83E						
4-DR 4WD HARDTOP JLX AUTO		LKN84E						
4-DR 4WD HARDTOP JLX PLUS 5-SP		LKN83F						
4-DR 4WD HARDTOP JX 5-SP		LKN83C						
4-DR 4WD HARDTOP JX AUTO		LKN84C						
4-DR 4WD HARDTOP JX PLUS AUTO		LKN84F						
<b>TOYOTA</b>			<b>TOYOTA</b>			<b>TOYOTA</b>		
<b>TUNDRA</b>			<b>LAND CRUISER</b>			<b>RAV4</b>		
2WD ACCESS CAB LTD V8 AUTO		7738	WAGON AUTO		6156	2WD 2-DR SOFT TOP 5-SP		4415
2WD ACCESS CAB SR5 5-SP		7721	<b>SIENNA</b>			2WD 2-DR SOFT TOP AUTO		4414
2WD ACCESS CAB SR5 AUTO		7722	4-DR CARGO VAN AUTO		5362	4WD 2-DR SOFT TOP 5-SP		4425
2WD ACCESS CAB SR5 V8 AUTO		7728	5-DR MINIVAN CE AUTO		5324	4WD 2-DR SOFT TOP AUTO		4424
2WD REG CAB 5-SP		7711	<b>TACOMA PICKUP</b>			<b>SIENNA</b>		
2WD REG CAB AUTO		7710	2WD PRERUNNER REG CAB AUTO		7132	4-DR MINIVAN CE AUTO		5322
4WD ACCESS CAB LTD V8 AUTO		7838	2WD PRERUNNER XTRACAB 4-CYL 5-SP		7162	4-DR MINIVAN LE AUTO		5332
4WD ACCESS CAB SR5 5-SP		7821	2WD PRERUNNER XTRACAB V6 AUTO		7164	5-DR MINIVAN LE AUTO		5334
4WD ACCESS CAB SR5 AUTO		7822				5-DR MINIVAN XLE AUTO		5344
4WD ACCESS CAB SR5 V8 AUTO		7828						
4WD REG CAB SR5 5-SP		7811						
4WD REG CAB SR5 AUTO		7810						
4WD REG CAB SR5 V8 AUTO		7818						
<b>VOLKSWAGEN</b>			<b>VOLKSWAGEN</b>			<b>VOLKSWAGEN</b>		
			<b>EUROVAN</b>					
			CONVERSION VAN AUTO		7DH1L3			
			VAN GLS AUTO		7DC2L3			
			VAN MV AUTO		7DCML3			

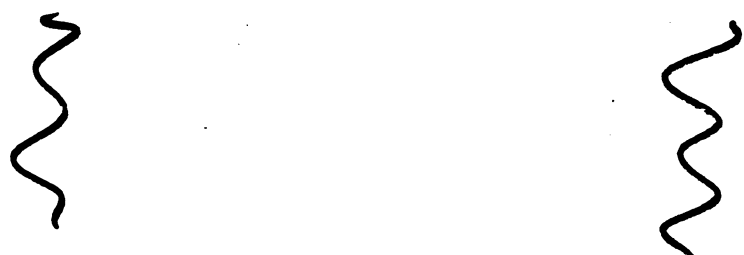


<b>Form 4564</b>	<b>Department of the Treasury Internal Revenue Service Information Document Request</b>	<b>Request Number 015</b>
------------------	---	-------------------------------

<b>To:</b>	<b>Subject: LIFO</b>
	<b>Submitted to:</b> [REDACTED]
	<b>Dates of Previous Requests:</b>

**Description of Documents Requested:**

I did not see an M-1 adjustment for the LIFO reserve. Wouldn't this be necessary as with any other reserve? Please explain.



Information Due By 3/23 At Next Appointment  Mail In

<b>FROM</b>	<b>Name and Title of Requestor</b> [REDACTED] Internal Revenue Agent [REDACTED]	<b>Date:</b> March 13, 2000
	<b>Office Location:</b> [REDACTED]	<b>Phone: Voice</b> [REDACTED] <b>FAX</b> [REDACTED]

Form 4564

**Message:** I THOUGHT YOU'D APPRECIATE A GOOD CHUCKLE IN THE DARK DAYS OF TAX SEASON. I RECEIVED THIS IDR FROM AN AGENT IN OUR AREA REGARDING THE AUDIT OF ONE OF OUR DEALER CLIENTS. ENJOY.

The *De Filippis' LIFO Lookout* newsletter is a quarterly publication of LIFO News, Views and Ideas by Willard J. De Filippis, CPA, P.C., 317 West Prospect Avenue, Mt. Prospect, IL 60056. It is intended to provide accurate, general information on LIFO matters and it should not be construed as offering accounting or legal advice or accounting or legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only. Readers should consult their certified public accountant, attorney and/or other competent advisors to discuss their own situations and specific LIFO questions. Mechanical or electronic reproduction or photocopying is prohibited without permission of the publisher. Annual subscription: \$395. Back issues available for \$70 each. Not assignable without consent. Any quoted material must be attributed to *De Filippis' LIFO Lookout* published by Willard J. De Filippis, CPA, P.C. Editorial comments and article suggestions are welcome and should be directed to Willard J. De Filippis at (847) 577-3977; FAX (847) 577-1073. INTERNET: <http://www.defilippis.com>. © Copyright 2000 Willard J. De Filippis. *De Filippis' LIFO Lookout* format designed by *Publish or Perish, Inc.* (630) 627-7227.

**PLEASE NOTE:** All articles and the entire contents of this publication are the proprietary intellectual property of the author and publisher, Willard J. De Filippis. No article, nor any portion of this publication, is to be reproduced or distributed without the express written authorization of Willard J. De Filippis. Any prior permission to reproduce and/or distribute, unless expressed in a written document, is null and void.

**De Filippis' LIFO LOOKOUT**  
Willard J. De Filippis, C.P.A., P.C.  
317 West Prospect Avenue  
Mt. Prospect, IL 60056

First-class postage paid at Mt. Prospect, IL

