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To: Director - FASB
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Gentlemen:

Thank you for taking the time to read my comments. I disagree with certain conclusions that were apparently reached in the discussion of March 16 and wish to submit my views about presentation within the context of Issue Number 06-3.

Presentation in the income statement: I support only a net presentation for the reasons noted below.

- I don't feel it's appropriate for an organization to present as gross revenue any amounts for which the entity serves as an agent of collection. Sales and use taxes are excellent examples.
- I've seen instances where management believes that the reporting of higher gross revenues will imply a higher valuation of a business's value. Those who assess or buy businesses may feel that gross revenue is an important indicator of what the entity can produce. Recognizing tax collections imposed by governmental authorities as gross revenues will tend to distort that value.
- Footnote disclosure: It should be the objective of those who design the standards and those who prepare financial statements to make financial statements that are as simple as possible for the reader to use. Directing information about a component of revenues such as taxes to footnotes doesn't accomplish that.
- It was my understanding that the purpose of the development of Financial Accounting Standard Number 13, "Accounting for Leases" was to introduce uniformity to an area where there was a disparity of accounting practices. The outcome of an optional accounting policy on this Issue would accomplish the opposite objective.
- Should the Board decide that "gross revenue" presentation is an acceptable option I would feel it's appropriate only to report taxes on the face of the income statement as a subtraction from gross revenues to arrive at net revenues.

Thank you for this opportunity to comment.

Very truly yours,

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