

August 17, 2018

Re: Leases Topic 842 Exposure Draft
Narrow Scope Improvements for Lessors
Financial Accounting Standards Board (FASB)
Norwalk, Connecticut

Dear FASB:

I wish to comment on exposure draft on Leases which specifically enumerates the treatment of certain ancillary and sales tax costs associated with a lease by certain lessors.

Question 1: Should a lessor's accounting for sales tax and other costs from lessees be aligned with Topic 606, the current guidance on lease accounting? **Yes, consistency is a defined accounting concept and our accounting for these matters should be entirely consistent. It is confusing to have one set of rules for lessees and another for lessors.**

Question 2: Is the proposed accounting standard operable? **Yes, I have no exposure to any lessor accounting which suggests that it would not be operable.**

Question 3: Would the proposed accounting standard result in a reduction of decision-making usefulness of a lessee? **While it is true that lessee financial statements would no longer be comparable, given this new guidance, I believe that the de minimum cost of compliance would outstrip any loss of comparability and would, in fact, enhance current accounting on the lessor's part.**

Question 4: Should a lessor be required to exclude certain lease costs paid by the lessee on behalf of a lessor to a third party be considered variable payments when the uncertainty over such payments is not expected to be resolved? **This is tough. Perhaps a stronger exposure draft would make such compliance optional, to be "firmed up at a later date. I am unclear as to what specific costs would be such that the uncertainty over the amount due would exist between the time of charge and the preparation of the financial statements. I can only think of one specific type of such cost, which would be common area charges, but these are usually resolved well before the publication of financial statements.**

Is the accounting for certain lessor payments operable? **Yes, I believe the lessor has identified and computed what the specific costs would be.**

Question 12: Should the adjustments in this exposure draft be implemented upon implementation of the previous FASB ruling on leases? **Yes, this would make the financial statements as consistent and comparable as possible.**

I realize that I did not address certain of the questions and I leave to my other practitioners in the profession to address those matters.

Thank you for the honor to submit this letter,

John Taylor, CPA

41 Cole Street

Beverly, MA 01915