The objective of this paper is to better understand how proposed revenue recognition rules by the Financial Accounting Standards Board (FASB) will impact financial reporting in the United States. This thesis focuses on current revenue recognition principles, both in the United States and internationally. Furthermore, the convergence effort between the United States Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS) will be a significant influence upon the final revenue recognition rules. Additionally, an examination of the new revenue recognition rules will allow the reader to compare and contrast current and proposed rules. Finally, the implementation of new revenue recognition standards will have meaningful implications for both historical and future reporting. Research was conducted using academic publications discussing the history of accounting standard setting, the convergence effort between IFRS and U.S. GAAP, and compliance requirements for corporate entities as a result of the new revenue recognition rules. Additionally, professional journals and commentaries provided a practical and detailed approach to the new standards that demonstrate the business community’s reaction to the rules. This research should be of interest to business men and women familiar with financial reporting in the United States. At the end of this paper, the reader will have a better understanding of the new revenue recognition principles and the effect it will have upon financial reporting in the United States.