

Congress of the United States
House of Representatives
Washington, DC 20515

February 12, 2008

End IRS Mandates for Cell Phone Call Log-Sheets

Dear Colleague:

Please join us as an original cosponsor of the MOBILE Cell Phone Act (Modernize Our Bookkeeping In the Law for Employee's Cell Phone Act), legislation to update the tax treatment of cell phones and Blackberries used for business. The bill will be introduced February 13.

In 1989, Congress passed a law requiring detailed documentation showing that a cell phone is used for business more than 50% of the time for it to be nontaxable to the employee. Back then, corporate cell phones were an executive perk that was bolted into the floor of the CEO's car. It was an expensive technology worthy of detailed log sheets as required by the Internal Revenue Service (IRS).

Cell phones now are ingrained in daily business practices at all levels. During the last twenty years, cellular technology helped workers be more productive and costs became more competitive. Employers give employees cell phones and Blackberries to keep them connected 24 hours a day, seven days a week. Because of the competitive pricing of wireless services, many providers offer virtually unlimited airtime for one monthly rate.

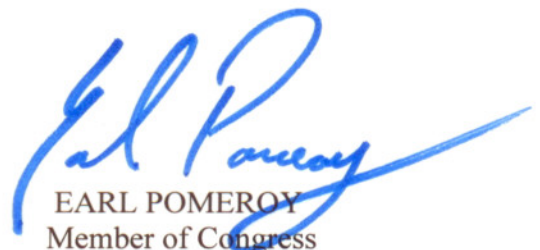
Today it is federal tax rules that create the bulky burden for wireless technology. A log listing every call, time and purpose must be kept for the cost of the cell phone to be deductible. Recently, the IRS reminded field examiners of the substantiation rules for cell phones as "listed property" under Code Section 280F(d)(4) when it published the IRS "Audit Techniques Guide on Executive Compensation and Fringe Benefits." Employers caught without cell phone logs face added taxes and penalties during audits, so many are maintaining expensive and detailed logs just for tax purposes.

Please join us in changing the law to reflect the advancements in wireless communication and become a cosponsor of our bill to repeal the requirement that employers maintain detailed logs of cell phone use. If you want to be added as an original cosponsor by February 13 or if your staff has any questions, please contact Kathleen Black at Kathleen.Black@mail.house.gov or 225-4201 or Diane Oakley at Diane.Oakley@mail.house.gov or 225-2611.

Sincerely,



SAM JOHNSON
Member of Congress



EARL POMEROY
Member of Congress