

Government Finance Officers Association (GFOA)
International City/County Management Association (ICMA)
International Municipal Lawyers Association (IMLA)
International Public Management Association for Human Resources (IPMA-HR)
National League of Cities (NLC)
National Association of Counties (NACo)
National Association of Police Organizations (NAPO)
National Association of State Auditors, Comptrollers and Treasurers (NASACT)
National Conference of State Social Security Administrators (NCSSSA)
United States Conference of Mayors (USCM)

April 07, 2008

The Honorable Max Baucus
Chairman
Committee on Finance
The United States Senate
Washington, DC 20510

Dear Chairman Baucus:

On behalf of the above organizations representing state and local governments nationwide, we are writing to express our strong support for S. 2668, the Modernize Our Bookkeeping in the Law for Employee's Cell Phone Act of 2008.

Currently the Internal Revenue Service requires employers to keep detailed records to identify and track personal use of employer-provided cell phones and Blackberries, as it is the IRS's policy that personal use of an employer-provided cell phone represents taxable income to the employee. Such detailed documentation, however, is not required for use of the phone at an employee's desk or the use of in-office e-mail or computers. S. 2668 will update the IRS's policy on cell phone usage by removing cell phones from the definition of listed property and allow the employer to utilize a de minimus personal use policy, much like policies in place for employer-provided desk phones.

We strongly believe this legislation is very necessary to bring the old policy on cell phone usage in line with the current business environment. Cell phone plans today provide free minutes, and in many cases unlimited calling, making the administrative burden created by the current statute clearly unnecessary. An employer-provided cell phone or Blackberry is just an extension of a desk phone and a very necessary component of everyday business.

We strongly urge you to support S. 2668 to modernize the IRS policy on tax treatment of cell phones. Should you have any questions or desire additional information please feel free to contact our representatives in Washington.

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