

May 5, 2009

The Honorable Max S. Baucus
Chairman
United States Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles E. Grassley
Ranking Member
United States Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Baucus and Rangel and Ranking Member Grassley and Camp:

The undersigned companies and associations strongly support S. 144, the MOBILE Cell Phone Act of 2009 and its House companion H.R. 690. This bill has broad bipartisan support and will modernize the tax code by removing cellular telephones, smartphones and similar communications devices (hereinafter "cell phones") from application of the listed property rules, which impose special, more burdensome substantiation requirements than are imposed on other business property.

This proposal passed the House last year as part of H.R. 5719, the Taxpayer Assistance and Simplification Act of 2008 and garnered 60 co-sponsors in the Senate, including a majority of the Senate Committee on Finance. Given the broad bi-partisan support we respectfully urge you to adopt this legislation as soon as possible.

Under current law, an employee must include the value of an employer-provided cell phone in income unless strict substantiation requirements are met demonstrating that use is predominantly for business purposes. An employer's deductions for cell phones are also predicated on satisfying these burdensome substantiation rules.

These strict substantiation requirements were added at a time when cell phones were considered a luxury item. Now, their use in business, government and nonprofits is common-place and essential in the modern world. Meeting these strict substantiation requirements burdens the business use of cell phones, dampens the use of advanced technology and is impractical given their frequent use in a fast-paced global work environment. Such detailed documentation is not required for use by an employee of his office phone. There is no reason that cell phones should be subjected to stricter substantiation requirements.

Also, the cost of cell phones and wireless service has decreased significantly since the substantiation requirements were adopted. Thus, taxpayers are subject to significant compliance burdens to monitor a relatively small potential fringe benefit, if any. As with other business property, taxpayers must still be able to demonstrate the business use of the cell phone.

We strongly support including this legislation on a tax bill that will become law as soon as possible.

Sincerely,

American Council on Education
American Institute of Certified Public Accountants
American Soybean Association
California Community Colleges, Chancellor's Office
CTIA-The Wireless Association
Government Finance Officers Association
International Public Management Association for Human Resources
International City/ County Management Association
Independent Sector-the leadership forum for charities, foundations, & corporate giving programs
National Association of College and University Business Officers
National Association of Counties
National Association of Manufacturers
National Association of Realtors
National Association of State Auditors, Comptrollers and Treasurers
National Association of Wheat Growers
National Barley Growers Association
National Conference of State Legislatures
National Conference of State Social Security Administrators
National Corn Growers Association
National Education Association
National Farmers Union
National Federation of Independent Business
National League of Cities
National Retail Federation
National Sunflower Association

Organization for the Promotion and Advancement of Small Telecommunications Companies
Retail Industry Leaders Association
Rural Cellular Association
Rural Telecommunications Group
United States Telecom Association
USA Dry Pea and Lentil Council
United States Canola Association
United States Chamber of Commerce
Western Peanut Growers