



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF  
CHIEF COUNSEL

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The Honorable Ike Skelton  
U. S. House of Representatives  
Washington, DC 20515

Dear Mr. Skelton:

I am responding to your June 12, 2009, letter to Commissioner Shulman. You asked whether the IRS intends to impose tax on individuals for the personal calls they make using their employer-provided cell phones.

We are not imposing such a tax; current law already imposes tax on individuals who use employer-provided cell phones to make personal calls. We recently issued Notice 2009-46 to request public comment on ways to reduce the burden on taxpayers of complying with current law.

We share your concern about the costly paperwork and recordkeeping required to track personal calls made with an employer-provided cell phone. Commissioner Shulman, in a statement released on June 16, 2009, explained that we are aware that this law is burdensome, poorly understood by taxpayers, and difficult to administer consistently. He and Treasury Secretary Geithner formally requested that the Congress act to make clear that neither employers nor employees will face tax consequences for personal use of employer-provided cell phones.

I hope this information is helpful. If you need further assistance, please call me or  
at .

Sincerely,

Kathleen Reed

Kathleen Reed  
Branch Chief, Branch 7  
Office of Associate Chief Counsel  
(Income Tax & Accounting)