

Cell Mates

By Reg P. Wydeven
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Growing up in the 1980s, I was a fan of the TV show 'Saved By the Bell.' The show focused on the antics of Zack Morris, a cool, preppy teenager at Bayside High. Zack and his friends, A.C. Slater and Samuel "Screech" Powers, along with Kelly Kapowski, Lisa Turtle and Jessie Spano would hang out at The Max, fall in and out of love and deal with typical high school issues.

One of the things that made Zack the coolest kid in school was the fact that he had a cellular phone. Even though it was the size of a large brick with an antenna and a battery life of about 17 minutes, he was the only student in school who had one.

Today it seems that every teenager has a cell phone that takes pictures, has text-messaging and is smaller than a deck of cards. The phone also seems to be a permanent appendage to these kids, either at their ear while talking or thumbs while texting. But kids aren't the only ones hooked on 'crackberries' – adults are just as addicted.

Millions of Americans carry cell phones today, with many dropping their land lines to use cells exclusively. A vast majority of cell phone users are even required to carry them for their jobs, many calling them their work leash. For those Americans who are furnished a phone from their employer, not only do they carry a tether to their office, they also carry a taxable fringe benefit.

In 1989, when 'Saved By the Bell' originally aired, Congress passed a law that requires employees to claim the value of personal calls made on a company cell phone as taxable income. Like Zack Morris, few people had "car phones," as they were called 20 years ago. They were typically an executive perk or a luxury item, and the IRS taxed them accordingly.

President Obama is now asking Congress to repeal this law, which is widely ignored already, claiming it is out of date and practically impossible to enforce. Many employees use employer-issued mobile devices for calling, texting, e-mailing and surfing the Internet. Distinguishing between personal and professional use is taxing enough, especially when many plans include unlimited calling or free calling on nights and weekends.

Earlier this month the IRS requested comments on ways to improve taxpayers' compliance with the law. One such suggestion by the IRS involved the assumption that personal use of mobile devices accounts for twenty-five percent of the taxpayers' overall use of the device. A second would require employees to document their personal use of company cell phones. According to IRS Commissioner Doug Shulman, the Service called for such comments in an effort to "simplify the rules and eliminate uncertainty for businesses and individuals."

The IRS now, along with Treasury Secretary Timothy Geithner, is joining President Obama in his request to repeal the tax. Last year, a bill to repeal the law was passed by the House of Representatives, but it did not get through the Senate. This year, similar bills have been introduced in both houses of Congress.

Failing to comply with the law can be costly. In 2008, the IRS audited two University of California extensions, in Los Angeles and San Diego, resulting in tax settlements of \$238,474 by UCLA and \$186,471 by UCSD.

Jimmy Fallon, new host of NBC's Late Night, is attempting to organize a reunion for the cast of 'Saved By the Bell.' So while hopefully the cell phone tax soon goes away, 'Saved By the Bell' will be here forever.

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