IRS Issues Guidance on Taxing Employer-Issued Cell phones

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In IRS Notice 2011-72, the IRS provides that?Ã¡when an?Ã¡employer provides an employee with a cell phone primarily for?Ã¡business purposes (*e.g.*, to be able to speak with clients when away from the office)?Ã¡and not as compensation,?Ã¡the cell phone will be treated as a non-taxable fringe benefit.?Ã¡ The IRS will treat the employee?ÃÃs?Ã¡work-related use of the cell phone as a working condition fringe benefit that automatically satisfies the substantiation requirements?Ã¡of Code Section?Ã¡132(d), and the?Ã¡employee's personal use of the cell phone?Ã¡to be?Ã¡a non-taxable *de minimis* fringe benefit. ?Ã¡In a related internal memorandum, the IRS advises its field agents that where an employer reimburses employees for the business use of their personal cell phones, the principles of Notice 2011-72 should also be applied. These rules apply to cell phones provided by the employer and reimbursements made after December 31, 2009.