Form **2555**
Department of the Treasury
Internal Revenue Service

Exemption of, or Deduction from, Income Earned Abroad

▶ See separate instructions. ▶ Attach to Form 1040.
For tax year ending ▶.....

1978
(Rev. March 1979)

This Form is to be Used Only by United States Citizens and Resident Aliens

Name of taxpayer | Social security number

Foreign address (including Country) | Your occupation

Name of employer ▶

Employer's address U.S. ▶
Foreign ▶

Employer is (check any that apply) ☐ A U.S. charitable organization (section 501(c)(3)) ☐ A foreign entity ☐ A U.S. company ☐ A foreign affiliate of a U.S. company ☐ Self ☐ Other (specify) ▶

Give the latest year for which you filed a U.S. income tax return ▶ Service Center where filed ▶

Enter prior years you claimed exemption for income earned abroad under section 911 ▶

Check the status under which you claim exemption of, or deduction from, income earned from services abroad ☐ Bona fide residence. ☐ Physical presence.

Are you a U.S. citizen? ☐ Yes ☐ No

Complete all items in either Part I or Part II. If an item does not apply, write "DOES NOT APPLY." Failure to submit required information may result in disallowance of the claimed exemption or deduction.

Part I To be Completed for Bona Fide Residence Only

[redacted]

(b) State the type of visa you entered the foreign country under .....

(c) Did your visa contain any limitations as to the length of your stay or employment in a foreign country? . . ☐ Yes ☐ No
If "Yes," attach explanation.

(d) Did you maintain a home in the U.S. while residing abroad? . . . . . ☐ Yes ☐ No
If "Yes," show address of your home, whether it was rented, and the names and relationships of the occupants .....

Part II To be Completed for Physical Presence Only

7 The 18-month period the exemption for physical presence in foreign countries is based on is from ..... through .....

8 Enter your principal country of employment during your tax year ▶.....

9 Enter all travel abroad during the 18-month period the exemption is based on, except travel between foreign countries that did not involve travel on or over international waters for 24 hours or more. If the last entry is an arrival in a foreign country, enter the number of full days to end of 18-month period. If there was no travel to report during the period, write in schedule that you were physically present in a foreign country or countries during the entire 18-month period.

Name of country (Including U.S.)	Date departed	Date arrived	Full days present in country	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) [2]

[2] Do not include this income in Part III. Report on Form 1040.

Part III To be Completed by All Taxpayers

10 Enter below your total earned income from sources outside the U.S. including noncash remuneration. (See Instructions 7, 8(d), 10(b), and 10(d).) Is part of the income (such as bonuses) attributable to services performed in past years or to be performed for years other than this year? . . . . . ☐ Yes ☐ No
If "Yes," see instruction 10(a).

Do not report exempt income on your Form 1040, but enter all taxable income in the appropriate sections of that form. If you received all or part of your income in foreign currency, translate its exchange value into terms of U.S. dollars at the rates prevailing at the time you actually or constructively received the income. Do not report income shown in Part I, line 5, on this schedule.

Earned Income for Personal Services Rendered in Foreign Countries	Exchange rates used	Amount (In U.S. dollars)
11 Total wages, salaries, bonuses, commissions, etc., attributable to this year		
12 Pensions and annuities (see instruction 10(d))		
13 Allowable share of income for personal services rendered (see instructions 7 and 10(a))		
(a) In a business (including farming) or profession (attach Schedule C or F (Form 1040)) .		
(b) In a partnership (give name, address, and nature of income)		
14 Noncash remuneration (market value of property or facilities furnished by employer—attach statement showing how determined):		
(a) Home (lodging)		
(b) Meals		
(c) Car		
(d) Other property or facilities (specify)		
15 Other foreign earned income (specify)		
16 Allowances, reimbursements or expenses paid on your behalf:		
(a) Cost of living		
(b) Overseas differential		
(c) Family		
(d) Education		
(e) Home leave		
(f) Quarters		
(g) For any other purpose (specify)		
17 Total earned income from foreign sources (add lines 11 through 16(g))		
18 (a) Value of meals and lodging included in income above which are excludible under section 119		
(b) Net earned income from foreign sources (subtract line 18(a) from line 17) . . . . . ▶		

19 Did you maintain a separate foreign residence for your family due to adverse living conditions at your tax home? ☐ Yes ☐ No
If "Yes," give city and country of the separate foreign residence. Also show number of days during your tax year that you maintained a second household at that address

20 List your tax home(s) during your tax year
Did you change your tax home at any time during your tax year? . . . . . ☐ Yes ☐ No
Note: *If you answered "Yes" to either 19 or 20 above, see instructions 11, 15 and 17 before completing this form.*

21 Did you reside in a camp located in a hardship area for the convenience of your employer? . . . . . ☐ Yes ☐ No
(See instruction 18 for a description of what is considered a camp.)
If "Yes," you may elect (a), (b) or (c) below. If "No," you may elect either (b) or (c) below.
(a) You may exclude from gross income the amount of $20,000 (prorated on a daily basis for days you resided in a camp). See Part V.
(b) You may claim the deduction for excess foreign living expenses. See Part IV.
(c) You may exempt from gross income up to $15,000 ($20,000 if an employee of a U.S. charitable organization). See Part VI.

Part IV To be Completed by Taxpayers Claiming the Deduction for Excess Foreign Living Expenses

Qualified Schooling Expense (See Instruction 12)

22 Complete the following for each dependent child for whom you claim a schooling expense deduction:

Name of Dependent Child	Age	Address (including country) of School Attended	Schooling Expenses Claimed

23 Total qualified schooling expenses. Enter here and on lines 31(b) and 36 . . . . . ▶

Qualified Home Leave Transportation Expense (See Instruction 13)

24 Enter total number of trips for which you are claiming a deduction. Count each trip by you, your spouse and your dependents as a separate trip ▶ . Total expense for all trips; also enter on lines 31(c) and 37 . . ▶

Qualified Hardship Area Deduction (See Instruction 14)

25 Name of hardship area ..... Date tax home was established ..... ended .....

26 Maximum deduction . . . . . $ 5,000.00

27 Number of days that you qualified for deduction during the tax year . . . . . .

28 Percentage applicable (divide the number of days on line 27 by 365) . . . . . %

29 Allowable deduction (multiply the amount on line 26 by the percent on line 28). Also enter on lines 31(d) and 38 . . . . . ▶ $

Qualified Housing Expenses (See Instruction 16)

30 Expenses paid or incurred for housing at your tax home during the year. (If you maintained a qualified second household, see instruction 17 for additional information) . . . . . .

31 Figure your base housing amount as follows. Enter:

(a) Earned income from all sources (see instruction 16) . . . . . .

(b) Qualified schooling expenses (from line 23) . . . . . .

(c) Qualified home leave transportation expenses (from line 24) . . .

(d) Qualified hardship area deduction (from line 29) . . . . . .

(e) Qualified cost-of-living differential (from tables—see instruction 15)

(f) Housing expenses from line 30 . . . . . .

(g) Total expenses (add lines 31(b) through 31(f)) . . . . . .

(h) Subtract line 31(g) from line 31(a) . . . . . .

(i) Base housing amount: Enter 20% (1/5) of line 31(h) . . . . . .

32 Subtract line 31(i) from line 30. If less than zero, enter zero . . . . . .

33 If you maintained a qualified second household, enter earned income as modified by instruction 17. Otherwise, omit line 33 and enter zero on line 34(e) . . . . . .

34 Amount from line 31(g) . . . . . .

(a) Housing expenses for qualified second household . . . . . .

(b) Add line 34 and line 34(a) . . . . . .

(c) Subtract line 34(b) from line 33. If less than zero, enter zero . . . . . .

(d) Base housing amount for second household; enter 20% (1/5) of line 34(c) . . . . .

(e) Subtract line 34(d) from line 34(a) . . . . . .

35 Total qualified housing expenses. If you maintained a qualified second household and your tax home was in a hardship area, enter total of amounts on lines 30 and 34(e). Otherwise, enter the total of lines 32 and 34(e). Also enter on line 40 . . . . . ▶

Summary of Excess Foreign Living Expenses

36 Qualified schooling expense from line 23 . . . . . .

37 Qualified home leave transportation expenses from line 24 . . . . . .

38 Qualified hardship area deduction from line 29 . . . . . .

39 Qualified cost-of-living differential from line 31(e) . . . . . .

40 Qualified housing expenses from line 35 . . . . . .

41 Total expenses (add lines 36 through 40) . . . . . .

42 Limitation:

(a) Total earned income from foreign sources (from Part III, line 18(b)) . . . . . .

(b) Adjustments allocable to income from foreign sources (see instruction 11(b)) . . . .

(c) Net earned income from foreign sources (subtract line 42(b) from line 42(a)). If less than zero, enter zero . . . . . .

43 Deduction for excess foreign living expenses. Enter the amount from line 41 or 42(c), whichever is smaller. Also enter this amount on Form 1040, line 23, and label it as "Expense from Form 2555" . . . . . ▶

Note: *If you claim this deduction, report your earned income from line 18(b) on Form 1040 to the extent received this year.*

Part V To be Completed for Exclusion of Income by Taxpayers Who Reside in Camps Located in a Hardship Area (See Instruction 18)

44 Complete the following for days you resided in a hardship area during the tax year:

Name of hardship area	Date arrived	Date departed	Full days you resided in hardship area	Number of days during your residence that area qualified

45 Total number of full qualifying days in all hardship areas. (Enter here and on line 47 below.) . . . . . ▶

46 Maximum exclusion $20,000.00

47 Number of days that you qualified for exclusion during the tax year (from line 45 above) . .

48 Percentage applicable (divide the number of days on line 47 by 365) . . . . . %

49 Maximum allowable exclusion (multiply the amount on line 46 by the percent on line 48). Enter here and on line 51 below . . . . . ▶ $

50 Total earned income from foreign sources (from Part III, line 18(b)) . . . . . .

51 Enter the exclusion from line 49 or the amount that you earned during the days you qualified, whichever is smaller . . . . . .

52 Taxable earned income from foreign sources (subtract the amount on line 51 from line 50). If less than zero, enter zero. Enter here and report on Form 1040 to the extent received this year . . . . . ▶

Part VI To be Completed by Taxpayers Claiming Exemption of Income Earned Abroad [1] (See Instruction 19)

53 Maximum exemption. (If you were an employee of a U.S. charitable organization, see instruction 19(d)) . . . $15,000.00

54 Number of days that you qualified for exemption during the tax year . . . . . .

55 Percentage applicable (divide the number of days on line 54 by 365) . . . . . %

56 Allowable exemption (multiply the amount on line 53 by the percent on line 55). **Note:** Complete lines 68, 69, and 70 before going to line 57 . . . . . ▶ $

57 Taxable income (from Schedule TC (Form 1040), Part I, line 3) . . . . . .

58 Exempt Earned Income. Enter the amount from line 56, or the amount you earned during the days you qualified, whichever is smaller . . . . . .

59 Enter expenses allocable to the exempt earned income on line 58 (see instruction 19(b)) .

60 Net exempt earned income (subtract line 59 from line 58) . . . . . .

61 Net taxable income (add lines 57 and 60) . . . . . .

62 Tax on the amount on line 61 [2] . . . . . .

63 Net exempt earned income from line 60 . . . . . .

64 Enter
- $3,200 if you are married filing a joint return (or qualifying widow(er)) . .
- $2,200 if you are single (or an unmarried head of household) . . . .
- $1,600 if you are married filing a separate return . . . . . .

65 Total (add lines 63 and 64) . . . . . .

66 Tax on the amount on line 65 (use Tax Rate Schedule X, Y, or Z) . . . . . .

67 Tax (subtract line 66 from line 62). Enter here and on Schedule TC (Form 1040), Part I, line 4, and label it "Form 2555" . . . . . ▶

68 Total earned income from foreign sources (from Part III, line 18(b)) . . . . . .

69 Enter exemption from line 56 or the amount you earned during days you qualified, whichever is smaller . . .

70 Taxable earned income from foreign sources (subtract the amount on line 69 from line 68). If less than zero, enter zero. Enter here and report on Form 1040 to the extent received this year . . . . . ▶

[1] If you and your spouse file a joint return and you both complete Part VI, use combined amounts on lines 57 through 67 on one of the forms.
[2] Use Tax Rate Schedule X, Y, or Z, OR if applicable: alternative tax from Schedule D (Form 1040), or maximum tax from Form 4726.

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