

Part III - Administrative, Procedural, and Miscellaneous

Determination of Housing Cost Amounts Eligible for Exclusion or Deduction for 2024

Notice 2024-31

SECTION 1. PURPOSE

This notice provides adjustments to the limitation on housing expenses for purposes of section 911 of the Internal Revenue Code for specific locations for 2024. These adjustments are based on geographic differences in housing costs relative to housing costs in the United States.

SECTION 2. BACKGROUND

Section 911 allows a qualified individual to elect to exclude from gross income the foreign earned income and to exclude or deduct the housing cost amount of such individual.

The term “housing cost amount” is generally the total of the housing expenses for the taxable year minus a base housing amount. See § 911(c)(1). For this purpose, the base housing amount for the taxable year is limited to an amount that is tied to the maximum foreign earned income exclusion amount of the qualified individual, which is \$126,500 for 2024. See § 911(c)(1)(B). Specifically, the base housing amount is 16 percent of the maximum foreign earned income exclusion amount (computed on a daily basis), multiplied by the number of days in the applicable period that fall within the

taxable year. Assuming that the entire taxable year of a qualified individual is within the applicable period, the base housing amount for 2024 is \$20,240 ($\$126,500 \times .16$).

Similarly, the housing expense amount is also limited, based on a percentage of the maximum foreign earned income exclusion amount. Specifically, the limit on such housing expenses generally equals 30 percent of the maximum foreign earned income exclusion amount (computed on a daily basis), multiplied by the number of days in the applicable period for which the taxpayer is a qualified individual. See § 911(c)(2)(A) and (d)(1). Thus, under this general limitation, a qualified individual whose entire taxable year is within the applicable period is limited to maximum housing expenses of \$37,950 ($\$126,500 \times .30$) for 2024. However, section 911(c)(2)(B) authorizes the Secretary to issue regulations or other guidance to adjust the percentage under section 911(c)(2)(A)(i) (which determines the limit on housing expenses) based on geographic differences in housing costs relative to housing costs in the United States. Pursuant to this authority, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) have published annual notices concerning the limitation on the section 911 housing cost amounts since the 2006 taxable year.

For more background on the foreign housing exclusion, see

<https://www.irs.gov/individuals/international-taxpayers/foreign-housing-exclusion-or-deduction>.

SECTION 3. TABLE OF ADJUSTED HOUSING LIMITATIONS FOR 2024

The following table provides adjusted limitations on housing expenses (in lieu of the otherwise applicable limitation of \$37,950) for 2024. All amounts are in U.S. dollars.

Country	Location	Limitation on Housing Expenses (full year)	Limitation on Housing Expenses (daily/366 days)
Angola	Luanda	84,000	229.51
Argentina	Buenos Aires	56,500	154.37
Australia	Melbourne	41,500	113.39
Australia	Sydney	67,000	183.06
Bahamas, The	Nassau	49,700	135.79
Bahrain	Bahrain	48,300	131.97
Belgium	Brussels	40,000	109.29
Bermuda	Bermuda	90,000	245.90
Brazil	Sao Paulo	56,600	154.64
Canada	Calgary	39,500	107.92
Canada	Montreal	54,000	147.54
Canada	Ottawa	48,100	131.42
Canada	Toronto	61,900	169.13
Canada	Vancouver	61,000	166.67
Canada	Victoria	42,200	115.30
Cayman Islands	Grand Cayman	48,000	131.15
China	Beijing	68,000	185.79
China	Hong Kong	114,300	312.30
China	Shanghai	57,001	155.74
Colombia	Bogota	58,700	160.38
Colombia	All cities other than Bogota	49,400	134.97
Democratic Republic of the Congo	Kinshasa	42,000	114.75
Denmark	Copenhagen	43,704	119.41
Dominican Republic	Santo Domingo	45,500	124.32
Ecuador	Quito	38,200	104.37

Estonia	Tallinn	46,600	127.32
France	Garches	68,600	187.43
France	Paris	68,600	187.43
France	Sevres	68,600	187.43
France	Suresnes	68,600	187.43
France	Versailles	68,600	187.43
Germany	Berlin	41,100	112.30
Germany	Boeblingen	41,000	112.02
Germany	Bonn	42,000	114.75
Germany	Cologne	56,200	153.55
Germany	Gelnhausen	42,400	115.85
Germany	Hanau	42,400	115.85
Germany	Ingolstadt	48,100	131.42
Germany	Kaiserslautern and Landkreis	41,300	112.84
Germany	Ludwigsburg	41,000	112.02
Germany	Mainz	46,000	125.68
Germany	Munich	48,100	131.42
Germany	Nellingen	41,000	112.02
Germany	Pirmasens	41,300	112.84
Germany	Sembach	41,300	112.84
Germany	Stuttgart	41,000	112.02
Germany	Wahn	42,000	114.75
Germany	Wiesbaden	46,000	125.68
Germany	Zweibrucken	41,300	112.84
Guatemala	Guatemala City	42,000	114.75
Guinea	Conakry	51,300	140.16
Holy See, The	Holy See, The	45,700	124.86

India	Mumbai	67,920	185.57
India	New Delhi	56,124	153.34
Ireland	Dublin	39,700	108.47
Israel	Beer Sheva	54,800	149.73
Israel	Jerusalem	49,000	133.88
Israel	Tel Aviv	50,800	138.80
Israel	West Bank	49,000	133.88
Italy	Genoa	41,800	114.21
Italy	La Spezia	40,400	110.38
Italy	Milan	68,300	186.61
Italy	Naples	46,900	128.14
Italy	Rome	45,700	124.86
Italy	Vicenza	38,100	104.10
Jamaica	Kingston	41,200	112.57
Japan	Gifu	74,300	203.01
Japan	Komaki	74,300	203.01
Japan	Nagoya	74,300	203.01
Japan	Okinawa Prefecture	44,800	122.40
Japan	Osaka-Kobe	90,664	247.72
Japan	Tokyo	73,100	199.73
Japan	Yokohama	39,000	106.56
Japan	Yokosuka	42,000	114.75
Kazakhstan	Almaty	48,000	131.15
Korea	Camp Colbern	54,200	148.09
Korea	Camp Market	49,200	134.43
Korea	Camp Mercer	54,200	148.09
Korea	K-16	49,200	134.43

Korea	Kimpo Airfield	49,200	134.43
Korea	Seoul	49,200	134.43
Korea	Suwon	49,200	134.43
Kuwait	Kuwait City	64,400	175.96
Kuwait	All cities other than Kuwait City	57,700	157.65
Malaysia	Kuala Lumpur	46,200	126.23
Malta	Malta	55,100	150.55
Mexico	Mexico City	47,900	130.87
Mexico	All cities other than Ciudad Juarez, Cuernavaca, Guadalajara, Hermosillo, Matamoros, Mazatlan, Merida, Metapa, Mexico City, Monterrey, Nogales, Nuevo Laredo, Tijuana, and Veracruz	39,400	107.65
Mozambique	Maputo	39,500	107.92
Netherlands	Amsterdam	52,900	144.54
Netherlands	Aruba	39,300	107.38
Netherlands	Hague, The	54,500	148.91
Netherlands	Schiphol	52,900	144.54
Netherlands Antilles	Curacao	45,800	125.14
Oman	Muscat	41,300	112.84
Panama	Panama City	39,500	107.92
Peru	Lima	39,100	106.83
Poland	Warsaw	56,500	154.37
Portugal	Alverca	41,800	114.21
Portugal	Lisbon	41,800	114.21
Qatar	Doha	45,888	125.38

Romania	Bucharest	41,200	112.57
Russia	Moscow	108,000	295.08
Russia	Saint Petersburg	60,000	163.93
Saudi Arabia	Riyadh	40,000	109.29
Singapore	Singapore	84,100	229.78
Slovenia	Ljubljana	47,900	130.87
South Africa	Pretoria	39,300	107.38
Spain	Barcelona	40,600	110.93
Spain	Madrid	55,700	152.19
Switzerland	Bern	75,500	206.28
Switzerland	Geneva	107,400	293.44
Switzerland	Zurich	39,219	107.16
Taiwan	Taipei	46,188	126.20
Tanzania	Dar Es Salaam	44,000	120.22
Thailand	Bangkok	59,000	161.20
Trinidad and Tobago	Port of Spain	54,500	148.91
Ukraine	Kiev	72,000	196.72
United Arab Emirates	Abu Dhabi	49,687	135.76
United Arab Emirates	Dubai	57,174	156.21
United Kingdom	Basingstoke	41,099	112.29
United Kingdom	Bath	41,000	112.02
United Kingdom	Bracknell	62,100	169.67
United Kingdom	Caversham	73,800	201.64
United Kingdom	Cheltenham	47,300	129.23
United Kingdom	Farnborough	54,700	149.45
United Kingdom	Gibraltar	44,616	121.90
United Kingdom	Harrogate	43,200	118.03

United Kingdom	High Wycombe	62,100	169.67
United Kingdom	Lakenheath	44,300	121.04
United Kingdom	London	67,000	183.06
United Kingdom	Loudwater	54,300	148.36
United Kingdom	Menwith Hill	43,200	118.03
United Kingdom	Mildenhall	44,300	121.04
United Kingdom	Reading	62,100	169.67
United Kingdom	Southampton	44,200	120.77
United Kingdom	Surrey	48,402	132.25
Venezuela	Caracas	57,000	155.74
Vietnam	Hanoi	46,800	127.87
Vietnam	Ho Chi Minh City	42,000	114.75

SECTION 4. OPTION TO APPLY 2024 ADJUSTED HOUSING LIMITATIONS TO 2023

TAXABLE YEAR

For some locations, the limitation on housing expenses provided in Section 3 of this notice may be higher than the limitation on housing expenses provided in the “Table of Adjusted Limitations for 2023” in Notice 2023-26, 2023-13 I.R.B. 577. A qualified individual incurring housing expenses in such a location during 2023 may apply the adjusted limitation on housing expenses provided in Section 3 of this notice for 2024 in lieu of the amounts provided in the “Table of Adjusted Limitations for 2023” in Notice 2023-26 (and as set forth in the Instructions to Form 2555, *Foreign Earned Income*, for 2023).

The Treasury Department and the IRS anticipate that future annual notices providing adjustments to housing expense limitations will make a similar option

available to qualified individuals that incur housing expenses in the immediately preceding year. For example, when adjusted housing expense limitations for 2025 are issued, it is expected that taxpayers will be permitted to apply those adjusted limitations to the 2024 taxable year.

SECTION 5. EFFECT ON OTHER DOCUMENTS

This notice supersedes Notice 2023-26, 2023-13 I.R.B. 577.

SECTION 6. EFFECTIVE DATE

This notice is effective for taxable years beginning on or after January 1, 2024. However, as provided in Section 4, taxpayers may apply the 2024 adjusted housing limitations contained in Section 3 of this notice to taxable year beginning in 2023.

SECTION 7. DRAFTING INFORMATION

The principal author of this notice is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this notice, contact Kate Y. Hwa at (202) 317-5001 (not a toll-free call).