

Deduction from, or Exclusion of, Income Earned Abroad

1979
31

▶ See separate instructions. ▶ Attach to Form 1040.
 For the year January 1-December 31, 1979, or other tax year
 beginning _____, 1979, ending _____, 19_____.

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) A foreign entity A U.S. company
 any that apply) 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 earlier years you claimed deduction from, or exclusion of, income earned abroad under section 911 or 913 ▶ _____

Check the status under which you claim deduction from, or exclusion of, 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 deduction or exclusion.

Part I To be Completed for Bona Fide Residence Only (See Instruction 8)

1 List the countries where you have lived and the dates of residence during your 1978 and 1979 tax years _____

Bona fide residence began (date) _____, ended (date) _____

2 Kind of living quarters in foreign country ▶ Purchased house Rented house or apartment Rented room Quarters furnished by employer

3 Did any of your family live with you abroad during any part of the tax year? Yes No

If "Yes," who and for what period? ▶ _____

4 (a) Have you made a statement to the authorities of the foreign country you claim bona fide residence in that you are not a resident of that country? Yes No

(b) Are you required to pay income tax to the country you claim bona fide residence in? Yes No

If you made a statement to the authorities of the foreign country that you are not a resident, and the country holds you are not subject to its income tax, you do not qualify for this status. (See Instruction 8(c).)

5 Complete the following for days present in the U.S. or its possessions during the tax year:

Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) ¹	Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) ¹

¹ Do not include this income in Part III. Report on Form 1040.

6 (a) State any contractual terms or other conditions relating to the length of your employment abroad _____

(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 (See Instruction 9)

7 The 18-month period that the test of 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 that the test 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 the end of 18-month period. If you have no travel to report during the period, write in the 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 arrived	Date departed	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 all, including noncash remuneration, income from sources outside the United States earned during 1979. (See Instructions 7, 10(b), 10(c), and 10(d).) Is part of the income (such as bonuses) for services performed in 1979, but received in another tax year? Yes No
If "Yes," see Instructions 10(a) and 10(e).

Report all income received during 1979 on your Form 1040 regardless of when the services were performed. 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.

Table with 3 columns: Description, Exchange rates used, and Amount (In U.S. dollars). Rows include: 11 Total wages, salaries, bonuses, commissions, etc., earned this year; 12 Pensions and annuities; 13 Allowable share of income for personal services rendered this year; 14 Noncash remuneration; 15 Other foreign earned income; 16 Allowances, reimbursements, or expenses paid on your behalf; 17 Total earned income from foreign sources; 18 (a) Value of meals and lodging included; (b) Net earned income from foreign sources.

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 live 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) or (b) below. If "No," you may claim (b) below.
(a) You may exclude from gross income the amount of \$20,000 (prorated on a daily basis for days you lived in a camp). See Part V.
(b) You may claim the deduction for excess foreign living expenses. See Part IV.

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:

Table with 4 columns: 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

Qualified Hardship Area Amount (See Instruction 14)

25 Name of hardship area, Date tax home was established ended
26 Maximum amount \$ 5,000.00
27 Number of days that you qualified during the tax year
28 Percentage applicable
29 Allowable amount

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
(b) Qualified schooling expenses
(c) Qualified home leave transportation expenses
(d) Qualified hardship area amount
(e) Qualified cost-of-living differential
(f) Housing expenses from line 30
(g) Total expenses
(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(b)(i). 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 expenses from line 23
37 Qualified home leave transportation expenses from line 24
38 Qualified hardship area amount 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
(b) Adjustments allocable to income from foreign sources
(c) Net earned income from foreign sources
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 24, and label it as "Expense from Form 2555"

**Part V To be Completed by Taxpayers Claiming the Exclusion of
Income Earned in a Hardship Area Camp (See Instruction 18)**

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

Name of hardship area	Date arrived	Date departed	Full days you lived 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

\$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) ▶

\$

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

51 Deductions allocable to excluded income. (See Instruction 18(c) and attach a schedule.)

52 Subtract line 51 from line 50. Enter here and in parenthesis on Form 1040, line 21, and label it "Exclusion from Form 2555". (On Form 1040, subtract the amount from your income to arrive at Total income on line 22.) . ▶