Form **2555**

Department of the Treasury
Internal Revenue Service

Deduction from, or Exclusion of, Income Earned Abroad

▶ See separate instructions. ▶ Attach to Form 1040.

For the year January 1–December 31, 1981, or other tax year beginning ....., 1981, ending ....., 19.....

OMB No. 1545-0067

1981

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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 foreign entity ☐ A U.S. company ☐ A qualified charitable organization ☐ 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 on Form 2555 ▶

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 9)

1 List the countries where you have lived and the dates of residence during your 1980 and 1981 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 9(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 10)

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.

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Part III To Be Completed by All Taxpayers

10 Enter on lines 11 through 18 all income, including noncash income, from sources outside the United States earned during 1981. (See Instructions 7, 11(b), 11(c), and 11(d).) Is part of the income (such as bonuses) for services performed in 1981, but received in another tax year? . . . . . ☐ Yes ☐ No

If "Yes," see Instructions 11(a) and 11(e).

Report all income received during 1981 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, or Part II, line 9, on this schedule.*

Earned Income for Personal Services Rendered in Foreign Countries During 1981	Exchange rates used	Amount (In U.S. dollars)
11 Total wages, salaries, bonuses, commissions, etc., earned this year		
12 Pensions and annuities (see Instruction 11(d))		
13 Allowable share of income for personal services rendered this year (see Instructions 7 and 11(a)):		

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

Qualified School Expense (See Instruction 13)

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

Name of dependent child	Age	Address (including country) of school attended	School expenses claimed

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

Qualified Home Leave Transportation Expense (See Instruction 14)

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 Amount (See Instruction 15)

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

29 Allowable amount (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 17)

30 Expenses paid or incurred for housing at your tax home during the year. (If you maintained a qualified second household, see Instruction 18 for additional information) . . . . . .

31 Figure your base housing amount as follows. Enter:

(a) Housing income from all sources (see Instruction 17) . . . . . .

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

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

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

(e) Qualified cost-of-living differential (from tables—see Instruction 16)

(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 housing income as modified by Instruction 18(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 school 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) Earned income from foreign sources (from Part III, line 18(b)) . . . . . .

(b) Adjustments allocable to income from foreign sources (see Instruction 12(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 29, 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 OR the Exclusion of Income Received for Qualified Charitable Services in a Lesser Developed Country (See Instruction 19)**

44 Complete the following for days you resided in a hardship area or for days you qualified for a charitable services exclusion during the tax year. Complete column (d) or (e) whichever applies. If both apply, days included in column (d) may not also be included in column (e).

(a) Name of hardship area or lesser developed country	(b) Date arrived	(c) Date departed	(d) Full days you resided in the area while it was a hardship area	(e) Full days that fall within the period qualifying for a charitable services exclusion

45 (a) Total number of qualifying days in all hardship areas . . . . . ▶

(b) Total number of qualifying charitable service days . . . . . ▶

(c) Total of (a) and (b). Enter here and on line 47 below (but not more than 365) . . . . . ▶

46 Maximum exclusion $20,000.00

47 Total number of days that you qualified for the exclusions during the tax year (total from line 45(c) (but not more than 365)) . . . . . .

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) (see instruction 19(d)) . . . . . ▶ $

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 19(g) and attach a schedule.) . . . . . .

52 Subtract line 51 from line 50. Enter here and in parenthesis on Form 1040, line 20, and label it "Exclusion from Form 2555." (On Form 1040, subtract the amount from your income to arrive at **Total income** on line 21.) . ▶

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