2026

Instructions for Form 2555

Foreign Earned Income

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 2555 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form2555*.

What's New

Exclusion amount. For 2026, the maximum exclusion amount has increased to $132,900.

Reminders

Due dates. If the due date referenced in these instructions falls on a Saturday, Sunday, or legal holiday, file by the next day that is not a Saturday, Sunday, or legal holiday.

Windfall Elimination Provision (WEP). WEP was repealed by P.L. 118-273, Social Security Fairness Act of 2023, which was effective for social security payments after 2023. For more information, go to *SSA.gov/benefits/retirement/social-security-fairness-act.html*.

Tax home for individuals serving in a combat zone. Certain individuals serving in a combat zone in support of the U.S. Armed Forces may nonetheless establish a tax home in the foreign country of the combat zone. For more information, see *Tax home test* under *Who Qualifies*, later.

General Instructions

Caution: Don't include on Form 1040 or 1040-SR, line 25a or 25b (federal income tax withheld from Form(s) W-2 or 1099, respectively), any taxes an employer withheld from your pay that were paid to the foreign country's tax authority instead of the U.S. Treasury.

Purpose of Form

If you qualify, you can use Form 2555 to figure your foreign earned income exclusion and your housing exclusion or deduction. You cannot exclude or deduct more than the amount of your foreign earned income for the year.

General Information

If you are a U.S. citizen or a resident alien living in a foreign country, you are subject to the same U.S. income tax laws that apply to U.S. citizens and resident aliens living in the United States.

Note: Specific rules apply to determine if you are a resident or nonresident alien of the United States. See *Pub. 519*.

Foreign country. A foreign country is any territory under the sovereignty of a government other than that of the United States. The term "foreign country" includes the country's territorial waters and airspace. It also includes the seabed and subsoil of those submarine areas adjacent to the country's territorial waters over which it has exclusive rights under international law to explore and exploit the natural resources.

The term "foreign country" doesn't include international waters and the airspace above them, any U.S. territories, or the Antarctic region.

Who Qualifies

You may qualify for the foreign earned income exclusion and the housing exclusion or deduction if both of the following apply.

- You meet the tax home test (discussed later).
- You meet either the bona fide residence test or the physical presence test (discussed later).

Note: Income from working abroad as an employee of the U.S. Government does not qualify for either of the exclusions or the housing deduction. Don't file Form 2555.

Tax home test. To meet this test, your tax home must be in a foreign country, or countries (see *Foreign country*, earlier), throughout your period of bona fide residence or physical presence, whichever applies.

Your tax home is your regular or principal place of business, employment, or post of duty, regardless of where you maintain your family residence. If you don't have a regular or principal place of business because of the nature of your trade or business, your tax home is your regular place of abode (the place where you regularly live).

You aren't considered to have a tax home in a foreign country for any period during which your abode is in the United States, unless you are serving in support of the U.S. Armed Forces in an area designated as a combat zone. See *Service in a combat zone*, later. Otherwise, if your abode is in the United States, you will not meet the tax home test and cannot claim the foreign earned income exclusion.

The location of your abode is based on where you maintain your family, economic, and personal ties. Your abode is not necessarily in the United States merely because you maintain a dwelling in the United States, whether or not your spouse and dependents use the dwelling. Your abode is not necessarily in the United States while you are temporarily in the United States. However, these factors can contribute to your having an abode in the United States.

Example. You are employed on an offshore oil rig in the territorial waters of a foreign country and work a

28-day-on/28-day-off schedule. You return to your family residence in the United States during your off periods. You are considered to have an abode in the United States and don't meet the tax home test. You can't claim either of the exclusions or the housing deduction.

Service in a combat zone. Citizens or residents of the United States serving in an area designated by the President of the United States by Executive order as a combat zone for purposes of section 112 in support of the U.S. Armed Forces can qualify as having a tax home in a foreign country, even if they have an abode within the United States. For a list of IRS-recognized combat zones, go to *IRS.gov/Newsroom/Combat-Zones*.

Travel to Cuba

Generally, if you were in Cuba in violation of U.S. travel restrictions, the following rules apply.

- Any time spent in Cuba can't be counted in determining if you qualify under the bona fide residence or physical presence test.
- Any income earned in Cuba isn't considered foreign earned income.
- Any housing expenses in Cuba (or housing expenses for your spouse or dependents in another country while you were in Cuba) aren't considered qualified housing expenses.

Note: If you performed services at the U.S. Naval Base at Guantanamo Bay, you were not in violation of U.S. travel restrictions.

Waiver of Time Requirements

If your tax home was in a foreign country and you were a bona fide resident of, or physically present in, a foreign country and had to leave because of war, civil unrest, or similar adverse conditions, the minimum time requirements specified under the bona fide residence and physical presence tests may be waived. You must be able to show that you could have reasonably expected to meet the minimum time requirements if you hadn't been required to leave. Each year, the IRS will publish in the Internal Revenue Bulletin a list of the only countries that qualify for the waiver for the previous year and the dates they qualify. If you left one of the countries during the period indicated, you can claim the tax benefits on Form 2555, but only for the number of days you were a bona fide resident of, or physically present in, the foreign country.

If you can claim either of the exclusions or the housing deduction because of the waiver of time requirements, attach a statement to your return explaining that you expected to meet the applicable time requirement, but the conditions in the foreign country prevented you from the normal conduct of business. Also, enter "Claiming Waiver" in the top margin on page 1 of Form 2555.

Additional Information

Pub. 54 has more information about the bona fide residence test, the physical presence test, the foreign earned income exclusion, and the housing exclusion and deduction. You can download this publication (as well as other forms and publications) at *IRS.gov/Forms*.

When To File

A 2026 calendar-year Form 1040 or 1040-SR is generally due April 15, 2027.

However, you are automatically granted a 2-month extension of time to file (to June 15, 2027, for a 2026 calendar-year return) if, on the due date of your return, you live outside the United States and Puerto Rico and your tax home (defined earlier) is outside the United States and Puerto Rico. If using this extension, you must attach a statement to your return explaining that you meet these two conditions.

The automatic 2-month extension also applies to paying the tax. However, you will owe interest on any tax not paid by the regular due date of your return.

When to claim the exclusion(s). The first year you plan to take the foreign earned income exclusion and/or the housing exclusion or deduction, you may not yet have met either the physical presence test or the bona fide residence test by the due date of your return (including the automatic 2-month extension, discussed earlier). If this occurs, you can either:

1. Apply for a special extension to a date after you expect to qualify, or
2. File your return timely without claiming the exclusion and then file an amended return after you qualify.

Special extension of time to file. To apply for this extension, complete and file Form 2350 with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301-0045, before the due date of your return. Interest is charged on the tax not paid by the regular due date, as explained earlier.

Amended return. File Form 1040-X to change a return you have already filed. Generally, Form 1040-X must be filed within 3 years after the date the original return was filed or within 2 years after the date the tax was paid, whichever is later.

Where To File

Attach Form 2555 to Form 1040 or 1040-SR when filed. Mail your Form 1040 or 1040-SR to one of the special addresses designated for those filing Form 2555. Do not mail your Form 1040 or 1040-SR to the addresses associated with your state of residence if Form 2555 is attached. See the Instructions for Form 1040. The filing addresses are also available at *IRS.gov/Filing/International-Where-To-File-Form-1040-Addresses-for-Taxpayers-and-Tax-Professionals*.

Choosing the Exclusion(s)

To choose either of the exclusions, complete the appropriate parts of Form 2555 and file it with your Form 1040, 1040-SR, or 1040-X. Your initial choice to claim the exclusion must usually be made on a timely filed return (including extensions) or on a return amending a timely filed return. However, there are exceptions. See *Pub. 54* for details.

Once you choose to claim the exclusion(s), that choice remains in effect for that year and all future years unless it is revoked. To revoke your choice, you must attach a statement to your return for the first year you don't wish to

claim the exclusion(s). If you revoke your choice, you can't claim the exclusion(s) for your next 5 tax years without the approval of the IRS. See *Pub. 54* for more information.

Note: You do not need to revoke a prior choice just because you have no foreign earned income or foreign housing costs for the year.

Additional child tax credit. You can't take the additional child tax credit if you claim either of the exclusions or the housing deduction.

Earned income credit. You can't take the earned income credit if you claim either of the exclusions or the housing deduction.

Foreign tax credit or deduction. You can't take a credit or deduction for foreign income taxes paid or accrued on income that is excluded under either of the exclusions. If all of your foreign earned income is excluded, you can't claim a credit or deduction for the foreign taxes paid or accrued on that income. If only part of your income is excluded, you can't claim a credit or deduction for the foreign taxes allocable to the excluded income. See *Pub. 514* for details on how to figure the amount allocable to the excluded income.

IRA deduction. If you claim either of the exclusions, special rules apply in figuring the amount of your IRA deduction. For details, see *Pub. 590-A*.

Figuring Tax on Income Not Excluded

If you claim either of the exclusions or the housing deduction, you must figure the tax on your nonexcluded income using the tax rates that would have applied had you not claimed the exclusions. See the Instructions for Form 1040 and complete the Foreign Earned Income Tax Worksheet to figure the amount of tax to enter on Form 1040 or 1040-SR, line 16. When figuring your alternative minimum tax on Form 6251, you must use the Foreign Earned Income Tax Worksheet in the Instructions for Form 6251.

Specific Instructions

Part I—General Information

Line 1. Enter your entire address, including city or town, state or province, country, and ZIP or foreign postal code. If using a military or diplomatic address, include the country in which you are living or stationed.

Line 9. Enter your tax home(s) and date(s) established. See *Tax home test* under *Who Qualifies*, earlier.

Caution: You must complete either Part II or Part III of Form 2555, but not both parts.

Part II—Taxpayers Qualifying Under Bona Fide Residence Test

Bona Fide Residence Test

To meet this test, you must be one of the following.

- A U.S. citizen who is a bona fide resident of a foreign country, or countries, for an uninterrupted period that includes an entire tax year (January 1–December 31, if you file a calendar-year return).
- A U.S. resident alien who is a citizen or national of a country with which the United States has an income tax treaty in effect and who is a bona fide resident of a foreign country, or countries, for an uninterrupted period that includes an entire tax year (January 1–December 31, if you file a calendar-year return). See Table 3 at *IRS.gov/TreatyTables* for a list of countries with which the United States has an income tax treaty in effect.

Whether you are a bona fide resident of a foreign country depends on your intention about the length and nature of your stay. Evidence of your intention may be your words and acts. If these conflict, your acts carry more weight than your words. Generally, if you go to a foreign country for a definite, temporary purpose and return to the United States after you accomplish it, you aren't a bona fide resident of the foreign country. If accomplishing the purpose requires an extended, indefinite stay, and you make your home in the foreign country, you may be a bona fide resident. See *Pub. 54* for more information and examples.

Line 10. Enter the dates your bona fide residence began and ended. If you are still a bona fide resident, enter "Continues" in the space for the date your bona fide residence ended.

Lines 12a and 12b. If you check "Yes" on line 12a, enter the type(s) of family member(s) and the date(s) they lived with you on line 12b. Acceptable entries for family members on line 12b include child, foster child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, niece, son, daughter, spouse, or other. If you check "No" on line 12a, leave line 12b blank or enter "None."

Lines 13a and 13b. If you submitted a statement of nonresidence to the authorities of a foreign country in which you earned income and the authorities hold that you aren't subject to their income tax laws by reason of nonresidency in the foreign country, you aren't considered a bona fide resident of that country.

If you submitted such a statement and the authorities haven't made an adverse determination of your nonresident status, you aren't considered a bona fide resident of that country.

Part III—Taxpayers Qualifying Under Physical Presence Test

Physical Presence Test

To meet this test, you must be a U.S. citizen or resident alien who is physically present in a foreign country, or countries, for at least 330 full days during any period of 12 months in a row. A "full day" means the 24-hour period that starts at midnight.

To figure 330 full days, add all separate periods you were present in a foreign country during the 12-month period shown on line 16. The 330 full days can be interrupted by periods when you are traveling over international waters or are otherwise not in a foreign country. See *Pub. 54* for more information and examples.

Note: A nonresident alien who, with a U.S. citizen or U.S. resident alien spouse, chooses to be taxed as a resident of the United States can qualify under this test if the time requirements are met. See *Pub. 54* for details on how to make this choice.

Line 16. The 12-month period on which the physical presence test is based must include 365 days (366 days during a leap year), part of which must be in 2026. The dates may begin or end in a calendar year other than 2026.

Tip: You must enter dates in both spaces provided on line 16. Don't enter "Continues" in the space for the ending date.

Part IV—All Taxpayers

Foreign Earned Income

Enter in this part the total foreign earned income you earned and received (including income constructively received) during the tax year. If you are a cash-basis taxpayer, include in income on Form 1040 or 1040-SR the foreign earned income you received during the tax year regardless of when you earned it. (For example, include wages from Form 1040 or 1040-SR, line 1.)

Income is earned in the tax year you perform the services for which you receive the pay. But if you are a cash-basis taxpayer and, because of your employer's payroll periods, you received your last salary payment for 2025 in 2026, that income may be treated as earned in 2026. If you cannot treat that salary payment as income earned in 2026, the rules explained under *Income earned in prior year*, later, apply.

"Foreign earned income" for this purpose means wages, salaries, professional fees, and other compensation received for personal services you performed in a foreign country during the period for which you meet the tax home test and either the bona fide residence test or the physical presence test. It also includes noncash income (such as a home or car) and allowances or reimbursements.

Foreign earned income doesn't include amounts that are actually a distribution of corporate earnings or profits rather than a reasonable allowance as compensation for your personal services.

Foreign earned income also doesn't include the following types of income.

- Pension and annuity income (including social security benefits and railroad retirement benefits treated as social security).
- Interest, ordinary dividends, capital gains, alimony, etc.
- Amounts paid to you by the U.S. Government or any of its agencies if you were an employee of the U.S. Government or any of its agencies.
- Amounts received after the end of the tax year following the tax year in which you performed the services.
- Amounts you must include in gross income because of your employer's contributions to a nonexempt employees' trust or to a nonqualified annuity contract.

Income received in prior year. Foreign earned income received in 2025 for services you performed in 2026 can be excluded from your 2025 gross income if, and to the extent, the income would have been excludable if you had received it in 2026. To claim the additional exclusion, you must amend your 2025 tax return. To do this, file Form 1040-X.

Income earned in prior year. Foreign earned income received in 2026 for services you performed in 2025 can be excluded from your 2026 gross income if, and to the extent, the income would have been excludable if you had received it in 2025.

If you are excluding income under this rule, do not include this income in Part IV. Instead, attach a statement to Form 2555 showing how you figured the exclusion. Enter the amount that would have been excludable in 2025 on Form 2555 to the left of line 45. Next to the amount, enter "Exclusion of Income Earned in 2025." Include it in the total reported on line 45.

Note: If you claimed any deduction, credit, or exclusion on your 2025 return that is definitely related to the 2025 foreign earned income you are excluding under this rule, you may have to amend your 2025 income tax return to adjust the amount you claimed. To do this, file Form 1040-X.

Line 20. If you engaged in an unincorporated trade or business in which both personal services and capital were material income-producing factors, a reasonable amount of compensation for your personal services will be considered earned income. The amount treated as earned income, however, can't be more than 30% of your share of the net profits from the trade or business after subtracting the deduction for the employer-equivalent portion of self-employment tax.

If capital is not an income-producing factor and personal services produced the business income, the 30% rule does not apply. Your entire gross income is earned income.

Line 23. List other foreign earned income not included on lines 19 through 22. You can enter "Various" on the dotted lines to the left of the entry space if you have other foreign earned income from multiple sources.

Line 25. Enter the value of meals and/or lodging provided by, or on behalf of, your employer that is excludable from your income under section 119. To be excludable, the meals and lodging must have been provided for your employer's convenience and on your employer's business premises. In addition, you must have been required to accept the lodging as a condition of your employment. If you lived in a camp provided by, or on behalf of, your employer, the camp may be considered part of your employer's business premises. See *Exclusion of Meals and Lodging* in *Pub. 54* for details.

Part VI—Taxpayers Claiming the Housing Exclusion and/or Deduction

Line 28. Enter the total reasonable expenses paid or incurred during the tax year by you, or on your behalf, for your foreign housing and the housing of your spouse and dependents if they lived with you. You can also include the reasonable expenses of a second foreign household (defined later). Housing expenses are

considered reasonable to the extent they aren't lavish or extravagant under the circumstances.

Housing expenses include rent, utilities (other than telephone charges), real and personal property insurance, nonrefundable fees paid to obtain a lease, rental of furniture and accessories, residential parking, and household repairs. You can also include the fair rental value of housing provided by, or on behalf of, your employer if you haven't excluded it on line 25.

Don't include deductible interest and taxes, any amount deductible by a tenant-stockholder in connection with cooperative housing, the cost of buying or improving a house, principal payments on a mortgage, or depreciation on the house. Also, don't include the cost of domestic labor, pay television, or buying furniture or accessories.

Include expenses for housing only during periods for which:

- The value of your housing isn't excluded from gross income under section 119 (unless you maintained a second foreign household, as defined later), and
- You meet the tax home test and either the bona fide residence or physical presence test.

Second foreign household. If you maintained a separate foreign household for your spouse and dependents at a place other than your tax home because the living conditions at your tax home were dangerous, unhealthful, or otherwise adverse, you can include the expenses of the second household on line 28.

Married couples. The following rules apply if both you and your spouse qualify for the tax benefits of Form 2555.

Same foreign household. If you and your spouse lived in the same foreign household and file a joint return, you may figure your housing amounts jointly or separately. However, if you and your spouse live in the same foreign household and you choose to file separate returns, you must figure your housing amounts separately.

In figuring your housing amount jointly, either spouse (but not both) can claim the housing exclusion or housing deduction. However, if you and your spouse have different periods of residence or presence, and the one with the shorter period of residence or presence claims the exclusion or deduction, you can claim as housing expenses only the expenses for that shorter period. The spouse claiming the exclusion or deduction can aggregate the housing expenses of both spouses, subject to the limit on housing expenses (line 29b), and subtract their base housing amount.

In figuring your housing amount separately, each spouse must figure the housing amounts separately using such spouse's respective base housing amount. Spouses may allocate housing expenses to one spouse or between the spouses so long as there's no duplication of housing expenses being excluded or deducted.

Separate foreign households. If you and your spouse lived in separate foreign households, you each can claim qualified expenses for your own household only if:

- Your tax homes weren't within a reasonable commuting distance of each other, and
- Each spouse's household wasn't within a reasonable commuting distance of the other spouse's tax home.

Otherwise, only one spouse can claim their housing exclusion or deduction. Regardless of whether you and your spouse file a joint or separate return(s), each spouse must figure the housing amounts for each foreign household separately.

See *Pub. 54* for additional information.

Line 29a. Enter the city or other location (if applicable) and the country where you incurred foreign housing expenses during the tax year only if your location is listed in Notice 2026-25, available at *IRS.gov/irb/2026-17_IRB#NOT-2026-25*; otherwise, leave this line blank.

Line 29b. Your housing expenses may not exceed a certain limit. The limit on housing expenses varies depending upon the location in which you incur housing expenses. In 2026, for most locations, this limit is $39,870 (30% of $132,900) if your qualifying period includes all of 2026 (or $109.23 per day if the number of days in your qualifying period that fall within your 2026 tax year is less than 365). Eligible housing amounts for exclusion and deduction are updated yearly. See *Notice 2026-25* for more information.

Housing expense limits are based on geographic differences in foreign housing costs relative to housing costs in the United States. They are updated on a yearly basis. See *Notice 2026-25* for a list of specific locations. If the location in which you incurred housing expenses is listed in Notice 2026-25, or the number of days in your qualifying period that fall within the 2026 tax year is less than 365, use the Limit on Housing Expenses Worksheet—Line 29b to figure the amount to enter on line 29b. If the location in which you incurred housing expenses is not listed in Notice 2026-25, and the number of days in your qualifying period is 365, enter $39,870 on line 29b.

Example. For 2026, because your location is not listed in the table in *Notice 2026-25*, your limit on housing expenses is $109.23 per day. If you file a calendar-year return and your qualifying period is January 1, 2026, to October 3, 2026 (276 days), you would enter $30,147.48 on line 29b ($109.23 multiplied by 276 days).

Election to apply higher limit on housing expenses. For 2025, you could elect to apply the 2026 limits on housing expenses as discussed in section 4 of *Notice 2026-25*.

The IRS and the Treasury Department anticipate that you will also be allowed to make an election to apply the 2027 limits to figure your 2026 limit on housing expenses. The authorization to make the election will be provided in a future annual notice published in the Internal Revenue Bulletin.

More than one foreign location. If you moved during the 2026 tax year and incurred housing expenses in more than one foreign location as a result, complete the Limit on Housing Expenses Worksheet—Line 29b for each location in which you incurred housing expenses, entering the number of qualifying days during which you lived in the applicable location on line 1. Add the results shown on line 4 of each worksheet, and enter the total on line 29b.

Caution: If you moved during the 2026 tax year and are completing more than one Limit on Housing Expenses

Limit on Housing Expenses Worksheet—Line 29b

Note: If the location in which you incurred housing expenses isn't listed in the table in Notice 2026-25, and the number of days in your qualifying period that fall within the 2026 tax year is 365, DO NOT complete this worksheet. Instead, enter $39,870 on line 29b.

1. Enter the number of days in your qualifying period that fall within the 2026 tax year. (See the instructions for line 31.) . . . . . 1. _____

2. Did you enter 365 on line 1?

   ☐ **No.** If the amount on line 1 is less than 365, skip line 2 and go to line 3.

   ☐ **Yes.** Locate the amount under the column "Limitation on Housing Expenses (full year)" from the table in Notice 2026-25 for the location in which you incurred housing expenses. This is your **limit on housing expenses**. Enter the amount here and on line 29b. Also, see *Election to apply higher limit on housing expenses*, later.

   STOP Do not complete the rest of this worksheet . . . . . 2. _____

3. Enter the amount under the column "Limitation on Housing Expenses (daily)" from the table in Notice 2026-25 for the location in which you incurred housing expenses. If the location isn't listed in the table, enter $109.23. Also, see *Election to apply higher limit on housing expenses*, later . . . . . 3. _____

4. Multiply line 1 by line 3. This is your **limit on housing expenses**. Enter the result here and on line 29b . . . . . 4. _____

Worksheet—Line 29b, the total number of days entered on line 1 of your worksheets may not exceed the total number of days in your qualifying period that fall within the 2026 tax year (that is, the number of days entered on Form 2555, line 31).

Line 31. Enter the number of days in your qualifying period that fall within your 2026 tax year. Your qualifying period is the period during which you meet the tax home test and either the bona fide residence or physical presence test.

Example. You establish a tax home and bona fide residence in a foreign country on August 14, 2026. You maintain the tax home and residence until January 31, 2028. You are a calendar-year taxpayer. The number of days in your qualifying period that fall within your 2026 tax year is 140 (August 14, 2026, through December 31, 2026).

Nontaxable U.S. Government allowances. If you or your spouse received a nontaxable housing allowance as a military or civilian employee of the U.S. Government, see *Pub. 54* for information on how that allowance may affect your housing exclusion or deduction.

Line 34. Enter any amount your employer paid or incurred on your behalf that is foreign earned income included in your gross income for the tax year (without regard to section 911).

Examples of employer-provided amounts are the following.

- Wages and salaries received from your employer.
- The fair market value of compensation provided in kind (such as the fair rental value of lodging provided by your employer as long as it isn't excluded on line 25).
- Rent paid by your employer directly to your landlord.
- Amounts paid by your employer to reimburse you for housing expenses, for educational expenses of your dependents, or as part of a tax equalization plan.

Self-employed individuals. If all of your foreign earned income (Part IV) is self-employment income, skip lines 34 and 35 and enter zero on line 36. If you qualify for the housing deduction, be sure to complete Part IX.

Part VII—Taxpayers Claiming the Foreign Earned Income Exclusion

Married couples. If both you and your spouse qualify for, and choose to claim, the foreign earned income exclusion, figure the amount of the exclusion separately for each of you. You each must complete Part VII of your separate Forms 2555.

Community income. The amount of the exclusion is not affected by the income-splitting provisions of community property laws. The sum of the amounts figured separately for each of you is the total amount excluded on a joint return.

Part VIII—Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both

If you claim either of the exclusions, you can't claim any deduction, credit, or exclusion that is definitely related to the excluded income. If only part of your foreign earned income is excluded, you must prorate such items based on the ratio that your excludable earned income bears to your total foreign earned income. See *Pub. 54* for details on how to figure the amount allocable to the excluded income.

The exclusion under section 119 and the housing deduction are not considered definitely related to the excluded income.

Line 44. Report in full on Schedule 1 (Form 1040) and related forms and schedules all deductions allowed in figuring your adjusted gross income (Form 1040, line 11a). Enter on line 44 the total amount of

Housing Deduction Carryover Worksheet—Line 49

1.	Enter the amount from your 2025 Form 2555, line 46	**1.**
2.	Enter the amount from your 2025 Form 2555, line 48	**2.**
3.	Subtract line 2 from line 1. If the result is zero, **stop**; enter -0- on line 49 of your 2026 Form 2555. You do not have any housing deduction carryover from 2025	**3.**
4.	Enter the amount from your 2026 Form 2555, line 47	**4.**
5.	Enter the amount from your 2026 Form 2555, line 48	**5.**
6.	Subtract line 5 from line 4	**6.**
7.	Enter the **smaller** of line 3 or line 6 here and on line 49 of your 2026 Form 2555. If line 3 is **more than** line 6, you **cannot** carry the difference over to any future tax year	**7.**

those deductions (such as the deductible part of self-employment tax, and the expenses claimed on Schedule C (Form 1040)) that aren't allowed because they are allocable to the excluded income. This applies only to deductions definitely related to the excluded earned income. See *Pub. 54* for details on how to report your itemized deductions that are allocable to the excluded income.

Line 45. Enter the amount from line 45 on Schedule 1 (Form 1040), line 8d. Reduce the other items of additional income by the negative amount on line 8d and enter the total on Schedule 1 (Form 1040), line 9.

Enter the amount from line 10 of Schedule 1 (Form 1040) on line 8 of Form 1040 or 1040-SR. If line 10 of Schedule 1 (Form 1040) is a negative number, enter it on line 8 of Form 1040 or 1040-SR in parentheses. Reduce the total of lines 1 through 7 of Form 1040 or 1040-SR by this amount before reporting total income on line 9 of Form 1040 or 1040-SR.

Part IX—Taxpayers Claiming the Housing Deduction

If line 33 is more than line 36 and line 27 is more than line 43, complete this part to figure your housing deduction.

Line 49. Use the Housing Deduction Carryover Worksheet—Line 49 to figure your carryover from 2025.

1-year carryover. If the amount on line 46 is more than the amount on line 47, you can carry the difference over to your 2027 tax year. If you cannot deduct the excess in 2027 because of the 2027 limit, you cannot carry it over to any future tax year.