

## Foreign Housing Costs for 2018 or 2019 for Form 2555

When a taxpayer qualifies for the earned income exclusion, the taxpayer may also be able to exclude from gross income a housing cost amount. The exclusion for housing costs is equal to the amount of housing expenses in excess of 16% of the foreign earned income exclusion (\$16,944 for 2019). The amount of housing costs taken into account cannot exceed 30% of the foreign earned income exclusion (\$31,770 for 2019), UNLESS the location/country has a higher maximum amount designated by IRS.

IRS Notice 2019-24 contains the adjusted limitations for 2019, but these amounts can also be used on 2018 returns if a taxpayer so desires. The amounts shown in this Notice represent the maximum amount for the specific location/country that can be used instead of the normal maximum of \$31,770.

Countries that have higher maximum amounts for some localities include specific locations in: Angola, Argentina, Australia, Austria, The Bahamas, Bahrain, Barbados, Belgium, Bermuda, Brazil, Canada, Cayman Islands, Chile, China, Colombia, Costa Rica, Democratic Republic of the Congo, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, France, Germany, Ghana, Greece, Guatemala, Guinea, Guyana, The Holy See, Hungary, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Jerusalem, Kazakhstan, Korea, Kuwait, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Mozambique, Namibia, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Nigeria, Norway, Oman, Panama, Peru, Philippines, Portugal, Qatar, Romania, Russia, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Suriname, Switzerland, Taiwan, Tanzania, Thailand, Trinidad and Tobago, Ukraine, United Arab Emirates, United Kingdom, Venezuela, and Vietnam.

Although these amounts are amounts to be used for 2019 returns, the Notice says taxpayers can use either the 2018 or the 2019 amounts for 2018 tax returns.

Notice 2019-24 can be found at [www.irs.gov/pub/](http://www.irs.gov/pub/) by clicking on irs-drop and then on n-19-24.

Upcoming seminars listed below.

This text has been shared courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (920-496-9111).

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Upcoming seminar schedule:

May 16 & 17, Michigan Chapter of NATP at Double Tree, 4747 28<sup>th</sup> St, SE, Grand Rapids, MI. Topics include Teens & Taxes (kiddie tax, scholarships, dependents, and more), Elections, HSAs, Schedule C, Medicaid, Social Security planning, and Ethics. For more information go to [www.minatp.org](http://www.minatp.org).

May 21, Orange County Chapter of California Society of Enrolled Agents at the Phoenix Club in Anaheim, CA. David is presenting 1031 Exchanges and Nonresident Alien Issues. For more information go to [eaoc.org](http://eaoc.org).