

Part III

26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability. (Also Part I, § 911, 1.911-1)

Rev. Proc. 2000-14

SECTION 1. PURPOSE

01. This revenue procedure provides information to any individual who failed to meet the eligibility requirements of § 911(d)(1) of the Internal Revenue Code because adverse conditions in a foreign country precluded the individual from meeting those requirements for taxable year 1999.

02. The Internal Revenue Service has previously listed countries for which the eligibility requirements of § 911(d)(1) of the Code are waived under § 911(d)(4) because of adverse conditions in those countries on and after the date stated. See Rev. Proc. 99-20, 1999-14 I.R.B. 7, Rev. Proc. 98-38, 1998-2 C.B. 28, and Rev. Proc. 97-51, 1997-2 C.B. 526. This revenue procedure lists countries added to the list in 1999, for which the eligibility requirements of § 911(d)(1) are waived. Rev. Proc. 99-20, Rev. Proc. 98-38, and Rev. Proc. 97-51 remain in full force and effect.

SEC. 2. BACKGROUND

01. Section 911(a) of the Code allows a “qualified individual,” as defined in § 911(d)(1), to exclude foreign earned income and housing cost amounts from gross income. Section 911(c)(3) of the Code allows a qualified individual to deduct housing cost amounts from gross income.

02. Section 911(d)(1) of the Code defines the term “qualified individual” as an

individual whose tax home is in a foreign country and who is (A) a citizen of the United States and establishes to the satisfaction of the Secretary of the Treasury that the individual has been a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire taxable year, or (B) a citizen or resident of the United States who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days.

03. Section 911(d)(4) of the Code provides an exception to the eligibility requirements of § 911(d)(1). An individual will be treated as a qualified individual with respect to a period in which the individual was a bona fide resident of, or was present in, a foreign country if the individual left the country during a period for which the Secretary of the Treasury, after consultation with the Secretary of State, determines that individuals were required to leave because of war, civil unrest, or similar adverse conditions that precluded the normal conduct of business. An individual must establish that but for those conditions the individual could reasonably have been expected to meet the eligibility requirements.

04. For 1999, the Secretary of the Treasury in consultation with the Secretary of State, has determined that war, civil unrest, or similar adverse conditions that precluded the normal conduct of business existed in the following countries beginning on or after the specified dates:

<i>Date of Departure</i>	
<i>Country</i>	<i>On or After</i>
Eritrea	February 12, 1999
Ethiopia	February 12, 1999
Serbia-Montenegro	March 20, 1999

05. Accordingly, for purposes of § 911 of the Code, an individual who left one of the foregoing countries on or after the specified departure date shall be treated as a qualified individual with respect to the period during which that individual was present in, or was a bona fide resident of, such foreign country if the individual establishes a reasonable expectation of meeting the requirements of § 911(d) but for those conditions.

06. To qualify for relief under § 911(d)(4) of the Code, an individual must have established residency or have been physically present in the foreign country on or prior to the date that the Secretary of the Treasury determines that individuals were required to leave the foreign country. Individuals who establish residency or are first physically present in the foreign country after the date that the Secretary prescribes, shall not be treated as qualified individuals under § 911(d)(4) of the Code pursuant to § 911(d)(4)(C). For example, individuals who are first physically present in Eritrea after February 12, 1999, are not eligible to qualify for the exemption prescribed in § 911(d)(4) of the Code for taxable year 1999.

07. In order to assist those individuals who are filing prior year or amended tax returns, the Internal Revenue Service is republishing the countries listed for tax years 1996, 1997 and 1998, for which the eligibility requirements of § 911(d)(1) of the Code are waived under § 911(d)(4):

Tax Year 1996 -

Date of Departure

<i>Country</i>	<i>On or After</i>	<i>On or Before</i>
Central African Republic	May 21, 1996	September 12, 1996

Tax Year 1997 -

Date of Departure

<i>Country</i>	<i>On or After</i>
Albania	March 12, 1997
Cambodia	July 9, 1997
Central African Republic	March 28, 1997
Democratic Republic of the Congo	May 3, 1997
Republic of the Congo	June 7, 1997
Sierra Leone	May 28, 1997
Tajikistan	November 26, 1997

Tax Year 1998 -

Date of Departure

<i>Country</i>	<i>On or After</i>
Albania	August 14, 1998
Democratic Republic of the Congo	August 5, 1998
Eritrea	June 5, 1998
Guinea-Bissau	June 10, 1998
Indonesia	May 15, 1998
Pakistan	August 16, 1998
Sierra Leone	December 23, 1998
Serbia-Montenegro	October 11, 1998

SEC. 3. INQUIRES

A taxpayer who needs assistance on how to claim this exclusion, or on how to file an amended return, should contact a local IRS Office or, for a taxpayer residing or traveling outside the United States, the nearest overseas IRS office.

SEC. 4. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 99-20, 1999-14 I.R.B. 7, is supplemented.

DRAFTING INFORMATION

The principal author of this revenue procedure is Kate Y. Hwa of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure contact Ms. Hwa at (202) 622-3840 (not a toll-free call).