

TaxNewsFlash

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Waiver of time requirements for individuals electing to exclude foreign earned income because of adverse conditions

The IRS today released [Rev. Proc. 2025-17](#) providing information to any individual who failed to meet the eligibility requirements of section 911(d)(1) for 2024 because of adverse conditions in a foreign country.

- Section 911 allows a "qualified individual" to elect to exclude from gross income their foreign earned income (up to \$126,500 for 2024) and to exclude or deduct their housing cost amount.
- Section 911(d)(1) defines the term qualified individual as a U.S. citizen that has been a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire tax year or a U.S. citizen or resident who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days.
- Section 911(d)(4) provides that 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 Treasury Secretary, 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.
- Rev. Proc. 2024-17 lists the following countries for which the minimum time requirements are waived for 2024:

Country	Date of departure on or after
Ukraine	January 13, 2024
Iraq	January 18, 2024

Haiti	January 23, 2024
Bangladesh	August 5, 2024

For example, for purposes of section 911, an individual who left Ukraine on or after January 13, 2024, will 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, Ukraine if the individual establishes a reasonable expectation that he or she would have met the requirements of section 911(d) but for those conditions.

To qualify for relief under section 911(d)(4), an individual must have established residency, or have been physically present, in the foreign country on or before the date that the Treasury Secretary determines that individuals were required to leave the foreign country. For example, individuals who were first physically present or established residency in Ukraine after January 13, 2024, are not eligible to qualify for the exception provided in section 911(d)(4) for 2024.

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