



TaxNewsFlash

United States

No. 2026-056
March 4, 2026

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

The IRS today released [Rev. Proc. 2026-16](#) providing information to any individual who failed to meet the eligibility requirements of section 911(d)(1) for 2025 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 \$130,000 for 2025) 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. 2026-16 lists the following countries for which the minimum time requirements are waived for 2025:

Country	Date of departure on or after
Haiti	January 1, 2025
Ukraine	January 1, 2025
Democratic Republic of the Congo	January 28, 2025
South Sudan	March 7, 2025
Iraq	June 11, 2025
Lebanon	June 22, 2025
Mali	October 30, 2025

For example, for purposes of section 911, an individual who left Haiti on or after January 1, 2025, will be treated as a qualified individual with respect to the period during which that individual was a bona fide resident of, or was present in, Haiti 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 Haiti after January 1, 2025, are not eligible to qualify for the exception provided in section 911(d)(4) for 2025.

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