

Part III Taxpayers Qualifying Under Physical Presence Test (See page 2 of the instructions.)

- 16 The physical presence test is based on the 12-month period from through
- 17 Enter your principal country of employment during your tax year.
- 18 If you traveled abroad during the 12-month period entered on line 16, complete columns (a)–(f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Do not** include the income from column (f) below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. on business	(f) Income earned in U.S. on business (attach computation)

Part IV All Taxpayers

Note: Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 1998 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. **Do not** include income from line 14, column (d), or line 18, column (f). Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 1998, no matter when you performed the service.

1998 Foreign Earned Income	Amount (in U.S. dollars)	
19 Total wages, salaries, bonuses, commissions, etc.	19	
20 Allowable share of income for personal services performed (see instructions):		
a In a business (including farming) or profession	20a	
b In a partnership. List partnership's name and address and type of income. <input type="text"/>	20b	
21 Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):		
a Home (lodging)	21a	
b Meals	21b	
c Car	21c	
d Other property or facilities. List type and amount. <input type="text"/>	21d	
22 Allowances, reimbursements, or expenses paid on your behalf for services you performed:		
a Cost of living and overseas differential	22a	
b Family	22b	
c Education	22c	
d Home leave	22d	
e Quarters	22e	
f For any other purpose. List type and amount. <input type="text"/>	22f	
g Add lines 22a through 22f	22g	
23 Other foreign earned income. List type and amount. <input type="text"/>	23	
24 Add lines 19 through 21d, line 22g, and line 23	24	
25 Total amount of meals and lodging included on line 24 that is excludable (see instructions)	25	
26 Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your 1998 foreign earned income <input type="text"/>	26	

Part V All Taxpayers

27 Enter the amount from line 26	27		
Are you claiming the housing exclusion or housing deduction?			
Yes. Complete Part VI.			
No. Go to Part VII.			

Part VI For Taxpayers Claiming the Housing Exclusion AND/OR Deduction

28 Qualified housing expenses for the tax year (see instructions)	28		
29 Number of days in your qualifying period that fall within your 1998 tax year (see instructions)	29		
30 Multiply \$26.42 by the number of days on line 29. If 365 entered on line 29, enter \$9,643.00 here	30		
31 Subtract line 30 from line 28. If zero or less, do not complete the rest of this part or any of Part IX	31		
32 Enter employer-provided amounts (see instructions)	32		
33 Divide line 32 by line 27. Enter the result as a decimal (rounded to at least three places), but do not enter more than "1.000"	33	× .	
34 Housing exclusion. Multiply line 31 by line 33. Enter the result but do not enter more than the amount on line 32. Also, complete Part VIII ▶	34		

Note: The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VII and VIII before Part IX.

Part VII For Taxpayers Claiming the Foreign Earned Income Exclusion

35 Maximum foreign earned income exclusion	35	\$72,000	00
36 • If you completed Part VI, enter the number from line 29. • All others, enter the number of days in your qualifying period that fall within your 1998 tax year (see the instructions for line 29). }	36		
37 • If line 36 and the number of days in your 1998 tax year (usually 365) are the same, enter "1.000." • Otherwise, divide line 36 by the number of days in your 1998 tax year and enter the result as a decimal (rounded to at least three places). }	37	× .	
38 Multiply line 35 by line 37	38		
39 Subtract line 34 from line 27	39		
40 Foreign earned income exclusion. Enter the smaller of line 38 or line 39. Also, complete Part VIII ▶	40		

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

41 Add lines 34 and 40	41		
42 Deductions allowed in figuring your adjusted gross income (Form 1040, line 33) that are allocable to the excluded income. See instructions and attach computation	42		
43 Subtract line 42 from line 41. Enter the result here and in parentheses on Form 1040, line 21. Next to the amount enter "Form 2555." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22. ▶	43		

Part IX For Taxpayers Claiming the Housing Deduction—Complete this part only if (a) line 31 is more than line 34 and (b) line 27 is more than line 41.

44 Subtract line 34 from line 31	44		
45 Subtract line 41 from line 27	45		
46 Enter the smaller of line 44 or line 45	46		
<i>Note: If line 45 is more than line 46 and you could not deduct all of your 1997 housing deduction because of the 1997 limit, use the worksheet on page 4 of the instructions to figure the amount to enter on line 47. Otherwise, go to line 48.</i>			
47 Housing deduction carryover from 1997 (from worksheet on page 4 of the instructions)	47		
48 Housing deduction. Add lines 46 and 47. Enter the total here and on Form 1040 to the left of line 32. Next to the amount on Form 1040, enter "Form 2555." Add it to the total adjustments reported on that line ▶	48		

