

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:B02
PLR-144904-13

Date:
April 2, 2014

TY:

Legend

Taxpayer =

Country A =

Year 1 =

Year 2 =

Year 3 =

Dear :

This is in response to a letter received in this office on October 30, 2013, and subsequent correspondence, in which a ruling is requested to permit Taxpayer to reelect the foreign earned income and housing cost amount exclusions under section 911 of the Internal Revenue Code.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Taxpayer was employed in a job based in Country A beginning in Year 1 and elected to exclude her foreign earned income and housing cost amount under section 911(a) beginning in Year 1. In Year 2, Taxpayer chose to revoke these exclusions. In Year 3, Taxpayer accepted a position with a new employer, also located in Country A. As a result of this change in employer, Taxpayer requests permission to reelect the foreign

earned income and housing cost amount exclusions pursuant to section 911 for Year 3 and subsequent taxable years.

Section 911 of the Code permits certain taxpayers to elect to exclude from gross income their foreign earned income and housing cost amounts. Under Treas. Reg. Section 1.911-7(a)(1), the election applies to the taxable year for which it is made and for all subsequent taxable years, unless revoked by the taxpayer. Section 911(e)(2) provides that once revoked, the election may not be made again by the taxpayer until the sixth taxable year after the year in which the revocation was made.

Treas. Reg. § 1.911-7(b)(2) provides that if an individual revokes an election under Treas. Reg. § 1.911-7(b)(1), and desires to reelect the same exclusion within the next five years, the individual must obtain permission by requesting a ruling. The Service may permit the taxpayer to reelect the foreign earned income and housing cost amount exclusions before the sixth year after considering any facts and circumstances that may be relevant to the determination. Treas. Reg. § 1.911-7(b)(2) provides that relevant facts and circumstances may include a period of United States residence, a move from one foreign country to another foreign country with differing tax rates, a substantial change in tax laws of the foreign country of residence or physical presence, and a change of employer.

Taxpayer revoked the foreign earned income and housing cost amount exclusions for Year 2. Taxpayer desires to reelect the exclusions for Year 3, which is within five years of Year 2. Hence, Taxpayer is requesting permission to reelect the foreign earned income and housing cost amount exclusions. Taxpayer has represented that she experienced a change of employer in Year 3. Also, she has represented that her tax rate will differ as a result of this change in employment.

Accordingly, based solely on the information and representations set forth above, it is held that Taxpayer may reelect the foreign earned income and housing cost amount exclusions for Year 3 and subsequent taxable years.

Except as otherwise expressly provided herein, no opinion is expressed as to whether Taxpayer otherwise satisfies the requirements of section 911 for excluding foreign earned income and housing cost amounts from gross income. Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This private letter ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

Jeffery G. Mitchell
Branch Chief, Branch 2
(International)