

1994–1 C.B. 575. This revenue procedure relists countries where the adverse conditions are still in effect. The Central African Republic is added to the list for 1996. Rev. Proc. 96–33, Rev. Proc. 95–45, Rev. Proc. 94–31, and Rev. Proc. 94–15 remain in full force and effect; the older periods listed therein are omitted from this revenue procedure solely for brevity.

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) 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 purposes of § 911(d)(4) of the Code, 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 during the specified periods:

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. 97–51

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 1996.

02. The Internal Revenue Service previously has 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 during the time periods stated. See Rev. Proc. 96–33, 1996–1 C.B. 720, Rev. Proc. 95–45, 1995–2 C.B. 421, Rev. Proc. 94–31, 1994–1 C.B. 625, and Rev. Proc. 94–15,

Country	Date of Departure	
	On or After	On or Before
Afghanistan	April 23, 1979	(still in effect)
Bosnia and Herzegovina	April 7, 1992	(still in effect)
Central African Republic	May 21, 1996	September 12, 1996
Croatia	April 7, 1992	(still in effect)
Iran	September 1, 1978	(still in effect)
Lebanon	August 31, 1979	(still in effect)
The Former Yugoslav Republic of Macedonia	June 13, 1992	(still in effect)
Montenegro ¹	June 13, 1992	(still in effect)
Serbia ¹	June 13, 1992	(still in effect)
Somalia	December 21, 1990	(still in effect)

¹Montenegro and Serbia, formerly part of the Socialist Federal Republic of Yugoslavia, have asserted the formation of a joint independent state, but this entity has not been formally recognized as a state by the United States.

.05 Accordingly, for purposes of § 911 of the Code, an individual who left one of the foregoing countries during the specified period shall be treated as a qualified individual with respect to the period during which that individual was a bona fide resident of, or present in, that 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), 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 physi-

cally present in the foreign country after the date that the Secretary prescribes, but during the period for which the Secretary determines that individuals were required to leave the foreign country, shall not be treated as qualified individuals under § 911(d)(4) pursuant to § 911(d)(4)(C). For example, individuals who establish residency or are first physically present in Iran after September 1, 1978, are not eligible to qualify for the exemption prescribed in § 911(d)(4). The same holds true with respect to individuals who move to Afghanistan after April 23, 1979, or Lebanon after August 31, 1979.

SEC. 3. INQUIRIES

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. 92-63, 1992-2 C.B. 421 is obsolete.

DRAFTING INFORMATION

The principal author of this revenue procedure is Leslie B. van der Wal of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure contact Ms. van der Wal on (202) 622-3840 (not a toll-free call).