



# TaxNewsFlash

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### **Rev. Proc. 2017-26: Section 911(d)(1) eligibility requirements waived for South Sudan**

The IRS today released an advance version of Rev. Proc. 2017-26 concerning individuals who failed to meet the eligibility requirements of either the bona fide residence test or the physical presence test under section 911(d)(1)—and thus may not exclude foreign earned income and housing cost amounts from gross income—because war, civil unrest or similar adverse conditions in a foreign country precluded the individuals from satisfying these requirements for the 2016 tax year.

[Rev. Proc. 2017-26](#) [PDF 18 KB] lists only one country—South Sudan—for which the eligibility requirements of section 911(d)(1) are waived for tax year 2016. The applicable date is July 10, 2016.

Accordingly, an individual who left South Sudan on or after July 10, 2016, will be treated as a “qualified individual” for purposes of section 911 with respect to the period during which that person was present in, or was a bona fide resident of South Sudan if that individual establishes a reasonable expectation of meeting the requirements of section 911(d) but for the adverse conditions.

Persons who were first physically present (or established residency) in South Sudan after July 10 2016, are not eligible for this exception.

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