



# TaxNewsFlash

## United States

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### **Notice 2018-44: Housing expense limit adjustments, foreign locations for 2018**

The IRS today released an advance version of Notice 2018-44 providing the adjustments to the limitation on housing expenses, under section 911, for specific locations for 2018.

The adjustments are made on the basis of geographic differences in housing costs relative to housing costs in the United States—thus, providing an increased amount that a qualified individual can elect to exclude from gross income as a housing cost amount for purposes of section 911.

[Notice 2018-44](#) [PDF 127 KB] provides that under a general limitation, a qualified individual whose entire tax year is within the applicable period is limited to maximum housing expenses of \$31,170 ( $\$103,900 \times .30$ ) for 2018. A table is included with the adjusted limitations on housing expenses for certain foreign locations (in lieu of the otherwise applicable limitation of \$31,170) for 2018.

#### **Prior incorrect notice is withdrawn, replaced**

In the Internal Revenue Bulletin (dated Monday, April 23, 2018), the IRS included Notice 2018-33. However, as noted in today's release, that notice used an incorrect amount for the maximum foreign earned income exclusion to calculate the housing cost amount for 2018. Accordingly, today's release—Notice 2018-44—provides the correct amount of the maximum housing expenses and the base housing amount for 2018.

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