



# TaxNewsFlash

United States



No. 2020-084  
February 21, 2020

## Notice 2020-13: Housing expense limit adjustments, foreign locations for 2020

The IRS today released an advance version of Notice 2020-13 providing the adjustments to the limitation on housing expenses, under section 911, for specific locations for 2020.

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 2020-13** [PDF 114 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 \$32,280 ( $\$107,600 \times .30$ ) for 2020 to the extent they exceed a base amount of \$17,216 ( $\$107,600 \times .16$ ).

A table is included with the adjusted limitations on housing expenses for certain foreign locations (in lieu of the otherwise applicable limitation of \$32,280) for 2020.

If the amount provided is more than the amount that was allowed for 2019, a taxpayer can elect to claim the 2020 limitation in his or her 2019 income tax return. If the 2019 return has already been filed, it can be amended to claim the higher limitation amount.

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