

Getting Started

In this guide we have provided explanations and sample forms to assist 2nd-5th year American JETs with the tax-filing process. For complete details, consult Publication 54 (*Tax Guide for U.S. Citizens and Resident Aliens Abroad*), which can be accessed online at the Internal Revenue Service (IRS) website (www.irs.gov) by searching for Publication 54.

The Internal Revenue Service (IRS) office for U.S. citizens living abroad is located in Austin TX. Send all tax forms to:

Department of the Treasury
Internal Revenue Service Center
Austin, TX 73301-0215
U.S.A.

Additionally, the IRS website (www.irs.gov) lists a lot of information to help citizens living abroad with the tax-filing process. Go to 'Information for...Individuals' in the upper right corner and then 'International Taxpayers' on the left sidebar and you will find various topics on "US Citizens and Resident Aliens Abroad" (in the Filing Requirements section). Also, you can find most of the general questions about tax law answered at the following address:

<http://www.irs.gov/Individuals/International-Taxpayers/U.S.-Citizens-and-Resident-Aliens-Abroad>.

You can also contact the Philadelphia International Taxpayer Service Call Center by phone (1-267-941-1000, not toll-free) or fax (1-267-941-1055). They are operational M-F from 6:00am to 11:00pm Eastern Time.

Information regarding state taxes is not covered in this packet. Please consult your home state's tax agency for information.

The Forms

Here is a summary of what you will need:

* Foreign Earned Income Statement	[file with Form 1040]
* 2555-EZ Foreign Earned Income Exclusion	[file with Form 1040]
* 8965 Health Coverage Exemptions	[file with Form 1040]
* 1040 Individual Income Tax Return	[file by June 15]
* Publication 970 (if you've paid deductible interest on student loans in the last year)	

* If your address in Japan has changed since you filed last year, you will need to re-file **Form 8822** Change of Address form as well (see tax guide for first-year JETs).

* It is not necessary to request an extension to file, but you can do so if you choose by filing **Form 4868** Extension of Time to File form (see tax guide for first-year JETs). Filing this form gives you until October 15 to send in your forms.

Foreign Earned Income Statement

Photocopy the small form that your school or BOE gave you showing how much money you made in 2014. It's called the 源泉徴収票 (*gensen choushuu hyou*) in Japanese. If you have not received it yet, ask the accountant in your school or BOE office. This will act as a W-2 for the income you earned in Japan. Indicate your name and your gross income on the photocopy and write "Foreign Earned Income Statement" across the top. It should look like this (example taken from GIH):

Foreign Earned Income Statement

STATEMENT OF EARNINGS

源泉徴収票

Sample Statement of Earnings 源泉徴収票見本

平成 年分 給与所得の源泉徴収票

支払を受ける者	住所又は居所	氏名	(受給者番号)														
			(フリガナ)														
			(役職名)														
種別	支払金額	給与所得控除後の金額	所得控除の額の合計額	源泉徴収税額													
給料・賞与	円	円	円	円													
控除対象配偶者の有無等	配偶者特別控除の額	扶養親族の数 (配偶者を除く)	障害者の数 (本人を除く)	社会保険料等の金額	生命保険料の控除額	地震保険料の控除額	住宅借入金等特別控除の額										
有無	円	人	人	円	円	円	円										
(摘要) 住宅借入金等特別控除可能額		円 国民年金保険料等の金額		円	配偶者の合計所得												
					個人年金保険料の金額												
					旧長期損害保険料の金額												
未成年者	乙種	本人が障害者	寡	特別	寡	勤労学生	死亡退職	災害者	外国人	中途就・退職	受給者生	年	月	日			
		特別	その他	一般	夫					就職退職	年	月	日	明大昭平	年	月	日
支払者	住所(居所)又は所在地	(電話)															
氏名又は名称																	

(受給者交付用) 01

- ① Address of employee 住所
- ② Name of employee 名前
- ③ Gross earnings from January to December (including tax for those who pay tax in Japan)
1月～12月までの給与総額で、日本で課税される場合は税額分を含む
- ④ Amount remaining from ③ after deductions on income
③から給与所得控除額を引いた額
- ⑤ Fixed deduction based on Social Insurance and other premiums paid
社会保険料などの支払額をもとに一定額を控除するもの
- ⑥ Amount of income tax paid
所得税の額
- ⑦ Amount of Social Insurance premiums paid (Health Insurance and Pension Insurance)
社会保険料（健康保険料、厚生年金保険料）の支払い額

2555-EZ Foreign Earned Income Exclusion

This form is used to exempt you from paying U.S. income taxes on the money you earn in Japan.

Part I – You may qualify for the Bona Fide Resident Test, but the qualifications for this test are somewhat vague and difficult to understand. You will qualify for the Physical Presence Test and Tax Home Test like you did last year, so we recommend you use this qualification and not bother with the Bona Fide Resident Test.

Part I Tests To See If You Can Take the Foreign Earned Income Exclusion

1 Bona Fide Residence Test

- a Were you a bona fide resident of a foreign country or countries for a period that includes an entire tax year (see instructions)? ☐ Yes ☒ No
- If you answered "Yes," you meet this test. Fill in line 1b and then go to line 3.
 - If you answered "No," you **do not** meet this test. Go to line 2 to see if you meet the Physical Presence Test.
- b Enter the date your bona fide residence began ► _____, and ended (see instructions) ► _____.

2 Physical Presence Test

- a Were you physically present in a foreign country or countries for at least 330 full days during—
{ 2014 or any other period of 12 months in a row starting or ending in 2014? } ☒ Yes ☐ No
- If you answered "Yes," you meet this test. Fill in line 2b and then go to line 3.
 - If you answered "No," you **do not** meet this test. You **cannot** take the exclusion unless you meet the Bona Fide Residence Test above.
- b The physical presence test is based on the 12-month period from ► January 1, 2014 through ► Dec. 31, 2014.

- 3 **Tax Home Test.** Was your tax home in a foreign country or countries throughout your period of bona fide residence or physical presence, whichever applies? ☒ Yes ☐ No
- If you answered "Yes," you can take the exclusion. Complete Part II below and then go to page 2.
 - If you answered "No," you **cannot** take the exclusion. **Do not** file this form.

Part II – Fill in your address and employment information; write "NA" for Employer's U.S. address. Your employer is "other"-- put something like "foreign local government office." Follow the instructions until you get to the part that asks what your tax homes were during the tax year. In this blank, enter your address in Japan and the date (month and year) you began living there. If you moved during 2014, make sure to list your former address as well.

Part II General Information

4 Your foreign address (including country) Yamabiru 5, Toricho 4-31 Inakamura, Kumamotoken, JAPAN 123-4567		5 Your occupation Assistant Language Teacher OR Coordinator for International Relations
6 Employer's name Kumamoto Prefecture (for SHS ALTs) Your City/Town/Village (JHS/ES ALTs) NA	7 Employer's U.S. address (including ZIP code) NA	8 Employer's foreign address Base School Address (for SHS ALTs) BOE Address (for JHS/ES ALTs)
g Employer is (check any that apply): a A U.S. business <input type="checkbox"/> b A foreign business <input type="checkbox"/> c Other (specify) ► Foreign Local Government Office <input checked="" type="checkbox"/>		
10a If you previously filed Form 2555 or 2555-EZ, enter the last year you filed the form. ► 2013		
b If you did not previously file Form 2555 or 2555-EZ, check here ► <input type="checkbox"/> and go to line 11a.		
c Have you ever revoked the foreign earned income exclusion? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
d If you answered "Yes," enter the tax year for which the revocation was effective. ► _____		
11a List your tax home(s) during 2014 and date(s) established. ► List all tax homes (all addresses you lived at) in 2014 and the dates you lived there b Of what country are you a citizen/national? ► USA		

Part III - Under Days Present in the U.S., fill in any time you spent in the U.S. during the 12-month period you specified under the Physical Presence Test in Part I. If you did not return to the U.S. in 2014, refer to the example below. If you returned to the U.S. during 2014, refer to the next page.

Part IV - Figure your Foreign Earned Income Exclusion. Use the 12-month period from Part I to calculate the number of days in your qualifying period that fall within 2014, and enter the number on Line 14. Convert the amount listed on your **Foreign Earned Income Statement** to USD and enter that figure on Line 17. Use the Federal Reserve Bank's 2014 average Yen/USD exchange rate to make the calculation. That rate is \$1 = ¥105.74. The IRS likes everything you do to be outlined explicitly, so draw an asterisk and write, "see foreign earned income statement" at the bottom of the page. Then write a statement along the lines of: "I used the 2014 average Yen/USD exchange rate as reported by the Federal Reserve Bank to calculate the amount reported on Line 17. That rate was \$1 = ¥105.74" And, finally, sign your name to the note.

Part III **Days Present in the United States—** Complete this part if you were in the United States or its possessions during 2014.

12	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)
	NA	NA	0	0

Part IV **Figure Your Foreign Earned Income Exclusion**

13	Maximum foreign earned income exclusion	13	\$99,200	00
14	Enter the number of days in your qualifying period that fall within 2014	14	365	days
15	Did you enter 365 on line 14? <input checked="" type="checkbox"/> Yes. Enter "1.000." <input type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places).	15	×	1 .000
16	Multiply line 13 by line 15	16	99200	00
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2014 (see instructions). Be sure to include this amount on Form 1040, line 7 Caution. If the amount on line 17 is more than \$99,200, do not file this form. You must file Form 2555 instead.	17	28926	42
18	Foreign earned income exclusion. Enter the smaller of line 16 or line 17 here and in parentheses on Form 1040, line 21 . Next to the amount enter "2555-EZ." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 ▶	18	28926	42

If you returned to the U.S. anytime in 2014, you must note those dates in Part III and subtract them from the number of days in your qualifying period in Part IV Line 14. Here is an example.*

Part III Days Present in the United States — Complete this part if you were in the United States or its possessions during 2014.				
12	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)
	December 20, 2014	January 5, 2015	0	0

Part IV Figure Your Foreign Earned Income Exclusion			
13	Maximum foreign earned income exclusion	13	\$99,200 00
14	Enter the number of days in your qualifying period that fall within 2014 . 14 353 days	14	353 days
15	Did you enter 365 on line 14? <input type="checkbox"/> Yes. Enter "1.000." <input checked="" type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places). }	15	× .967
16	Multiply line 13 by line 15	16	99200 00
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2014 (see instructions). Be sure to include this amount on Form 1040, line 7 Caution. If the amount on line 17 is more than \$99,200, do not file this form. You must file Form 2555 instead.	17	28926 42
18	Foreign earned income exclusion. Enter the smaller of line 16 or line 17 here and in parentheses on Form 1040, line 21 . Next to the amount enter "2555-EZ." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 ►	18	28926 42

Form **2555-EZ** (2014)

*Please be aware that if you returned to the U.S. for more than 35 days in 2014, you will have less than the 330 days necessary to pass the Physical Presence Test. For example, let's say you made two 20-day trips to the U.S. in 2014, one in August and one in December. This means that in 2014, you spent only 325 days abroad (365-40=325), five short of the 330 total needed. In this case, you will need to adjust the 12-month period you entered for the Physical Presence Test in Part I to exclude enough days you were in the U.S. in order to bring your total of days abroad to 330. (This 12-month period does not have to be the 12-month period of 2014; it just has to start or end in 2014.) To exclude the December trip home, you could set the dates as December 1, 2013 – November 30, 2014. This would give you more than the 330 necessary days abroad and still give you enough days in your qualifying period (Part IV, Line 14) to exclude your JET income.

8965 Health Coverage Exemptions

New for the 2014 Tax Form is the Health Care: Individual Responsibility line on form 1040 (line 61). As part of the Affordable Care Act, starting with the 2014 tax year, Americans are required to have health insurance or face a tax penalty if they do not have any. Luckily, the IRS treats U.S. citizens living abroad for at least 330 full days in a 12-month period (the same conditions of the form 2555-EZ Physical Presence Test) as having minimum essential coverage.

In order to avoid paying a penalty, you must file form 8965 along with your return. When filling out the form, leave Part I blank and check the “no” box for both questions in Part II (JETs will not qualify for exemptions based on income level). If you did not spend any time in the U.S. in 2014, then you qualify for a coverage exemption based on your presence abroad (noted below as Exemption Type C) for the full year and will fill out Part 3 as follows:

Part III Coverage Exemptions for Individuals Claimed on Your Return: If you and/or a member of your tax household are claiming an exemption on your return, complete Part III.

	a Name of Individual	b SSN	c Exemption Type	d Full Year	e Jan	f Feb	g Mar	h Apr	i May	j June	k July	l Aug	m Sept	n Oct	o Nov	p Dec
8	Donkey K. Kong	123456789	C	√												

Even if you spent some time in the U.S. in 2014, as long as your 12-month period begins in January 2014, you can qualify for a full-year exemption. Having one day of minimum essential coverage in a given month is treated as having coverage for the entire month. For example, if your qualifying period from form 2555-EZ is from January 31, 2014 to January 30, 2015 you still are treated as having minimum essential coverage for January 2014 in addition to the rest of 2014 and can apply for the full-year exemption.

If your 12-month period for some reason does not include any days for a given month or months in 2014, you may still qualify for a short coverage exemption to cover that month or months if the gap in your coverage period encompasses less than 3 consecutive months. This will be noted on Part III as Exemption Type B. For example, a JET who was in the U.S. throughout all of January and February and has their 12-month period begin in March 2014 would fill out their Part III as follows:

Part III Coverage Exemptions for Individuals Claimed on Your Return: If you and/or a member of your tax household are claiming an exemption on your return, complete Part III.

	a Name of Individual	b SSN	c Exemption Type	d Full Year	e Jan	f Feb	g Mar	h Apr	i May	j June	k July	l Aug	m Sept	n Oct	o Nov	p Dec
8	Donkey K. Kong	123456789	B		√	√										
9	Donkey K. Kong	123456789	C				√	√	√	√	√	√	√	√	√	√

JETs who have a valid exemption for every month in 2014 can put 0 on line 61 of Form 1040. You can leave the full-year coverage box unchecked.

JETs who do not have minimum essential coverage or a valid exemption for a given month in 2014 may be subject to a tax penalty. In this case, you must still file form 8965 to indicate which months you do have a valid exemption for and fill out the Shared Responsibility Payment Worksheet (found in the instructions for form 8965) to figure out your penalty. However, we recommend you look at the instructions for form 8965 in full to see if there may be other exemptions not mentioned in this document that you may qualify for.

Shared Responsibility Payment Worksheet

If you or another member of your tax household had neither minimum essential coverage nor a coverage exemption for any month during 2014, use the Shared Responsibility Payment Worksheet, below, to figure your shared responsibility payment. You will enter the amount from line 14 of the worksheet on Form 1040, line 61; Form 1040A, line 38; or Form 1040EZ, line 11.

Complete the monthly columns by placing "X's" in each month in which you or another member of your tax household had neither minimum essential coverage nor a coverage exemption.												
Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Total number of X's in a month. If 5 or more, enter 5												
2. Total number of X's in a month for individuals 18 or over*												
3. One-half the number of X's in a month for individuals under 18*												
4. Add lines 2 and 3 for each month ...												
5. Multiply line 4 by \$95 for each month. If \$285 or more, enter \$285												
6. Sum of the monthly amounts entered on line 1												
7. Enter your household income (see Household income , earlier)												
8. Enter your filing threshold (see Filing Thresholds For Most People , later)												
9. Subtract line 8 from line 7												
10. Multiply line 9 by 1% (.01)												
11. Is line 10 more than \$285?												
<input type="checkbox"/> Yes. Multiply line 10 by the number of months for which line 1 is more than zero											}	
<input type="checkbox"/> No. Enter the amount from line 14 of the Flat Dollar Amount Worksheet												
12. Divide line 11 by 12.0												
13. Multiply line 6 by \$204**												
14. Enter the smaller of line 12 or line 13 here and on Form 1040, line 61; Form 1040A, line 38; or Form 1040EZ, line 11. This is your shared responsibility payment												

*For purposes of figuring the shared responsibility payment, an individual is considered under 18 for an entire month if he or she did not turn 18 before the first day of the month. An individual turns 18 on the anniversary of the day the individual was born. For example, someone born on March 1, 1999, is considered age 18 on March 1, 2017, and, therefore, is not considered age 18 for purposes of the shared responsibility payment until April 2017.

**\$204 is the 2014 national average premium for a bronze level health plan available through the Marketplace for one individual and should not be changed.

*Note: When figuring out the value of your household income (line 7 above), it is the total of lines 8b and 37 on form 1040 (which may be zero) **and** line 18 on form 2555-EZ (your foreign earned income exclusion, determined based on your Japanese income). So, even though your Japanese income cannot be taxed, it will still be used to determine any possible penalties for not maintaining minimum essential coverage while in Japan.

This is the form where you report how much total money you earned in 2014. You will figure out if you get a refund or if you owe more to Uncle Sam. There are a lot of specific questions on **Form 1040** that will be different for each person. What we are explaining here is focused on the specific parts related to living and working overseas. For the rest of the complicated stuff, it's best to start at the top and work your way through line by line. Consult a certified tax preparer and/or the official IRS instructions (online) to be sure you don't miss something. You can also call or email the IRS on their site.

Label and Exemptions – Enter your name and address information, social security #, and filing status. Claim yourself as an exemption on Line 6.

Form	1040	Department of the Treasury—Internal Revenue Service (99) U.S. Individual Income Tax Return	2014	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2014, or other tax year beginning		, 2014, ending		, 20	
Your first name and initial		Last name		See separate instructions.	
Donkey K.		Kong		Your social security number	
If a joint return, spouse's first name and initial		Last name		1 2 3 4 5 6 7 8 9	
				Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	
Yamabiru, Toricho 4-31				▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).				Presidential Election Campaign	
Foreign country name		Foreign province/state/county		Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
JAPAN		Kumamoto		123-4567	
				<input type="checkbox"/> You <input type="checkbox"/> Spouse	
Filing Status		1 <input checked="" type="checkbox"/> Single		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ►	
		2 <input type="checkbox"/> Married filing jointly (even if only one had income)			
Check only one box.		3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ►		5 <input type="checkbox"/> Qualifying widow(er) with dependent child	
Exemptions		6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a			
		b <input type="checkbox"/> Spouse			
c Dependents:		(2) Dependent's social security number		(3) Dependent's relationship to you	
(1) First name Last name				(4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions)	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
d Total number of exemptions claimed					
If more than four dependents, see instructions and check here ► <input type="checkbox"/>		Boxes checked on 6a and 6b		1	
		No. of children on 6c who:		0	
		• lived with you		0	
		• did not live with you due to divorce or separation (see instructions)		0	
		Dependents on 6c not entered above		0	
		Add numbers on lines above ►		1	

Income - On Line 7, add your income from Japan (Form 2555-EZ, Line 17) and any U.S. income (most returning JETs won't have U.S. income for 2014). The Taxable Interest on Line 8a includes all interest earned from savings accounts. If you have Taxable Interest, your bank or financial institution will send you a 1099-INT that tells you how much your taxable interest is. For many people, everything else is zeroes until you get to Line 21. List your Japan-earned income (Form 2555-EZ, Line 18) in parentheses on Line 21, and write "2555-EZ" next to it. Add Lines 7-20 and then subtract the amount listed on Line 21 (writing Line 21 in parentheses tells the IRS you are subtracting that amount). Enter the total on Line 22 (enter "0" if the total is a negative number). This total is the amount of taxable income you earned during 2014.

Income	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	28926	42
	8a	Taxable interest. Attach Schedule B if required	8a	30	00
	b	Tax-exempt interest. Do not include on line 8a	8b	0	
	9a	Ordinary dividends. Attach Schedule B if required	9a	0	
	b	Qualified dividends	9b	0	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	0	
	11	Alimony received	11	0	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	0	
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	0	
	14	Other gains or (losses). Attach Form 4797	14	0	
	15a	IRA distributions	15a	0	
	b	Taxable amount	15b	0	
	16a	Pensions and annuities	16a	0	
	b	Taxable amount	16b	0	
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a W-2, see instructions.	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	0	
	18	Farm income or (loss). Attach Schedule F	18	0	
	19	Unemployment compensation	19	0	
	20a	Social security benefits	20a	0	
	b	Taxable amount	20b	0	
	21	Other income. List type and amount 2555-EZ	21	(28926)	42
	22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	30	00

NOTE: These are made up numbers. Your numbers will be different!

Adjusted Gross Income - If you paid student loan interest, enter on Line 33 the amount of the Student Loan Interest Deduction from the worksheet in **Publication 970** (available online at www.irs.gov). Many student loan institutions provide this information directly to the students. If you make payments online, check there first to see if the student loan interest is already figured out for you. Finish following the instructions for the rest of that section and turn to the next page. Everything else will be zeros for many JETs.

Adjusted Gross Income	23	Educator expenses	23	0	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	0	
	25	Health savings account deduction. Attach Form 8889	25	0	
	26	Moving expenses. Attach Form 3903	26	0	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	0	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	0	
	29	Self-employed health insurance deduction	29	0	
	30	Penalty on early withdrawal of savings	30	0	
	31a	Alimony paid b Recipient's SSN ▶	31a	0	
	32	IRA deduction	32	0	
	33	Student loan interest deduction	33	300	00
	34	Tuition and fees. Attach Form 8917	34	0	
	35	Domestic production activities deduction. Attach Form 8903	35	0	
36	Add lines 23 through 35	36	300	00	
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37	(270)	00	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

Form **1040** (2014)

Page 2 - Everything should be straightforward (tedious, but straightforward) on the second page. By the time you get here, you've dealt with most of the foreign earned stuff and weeded it out. Just work through the lines one by one. Use the margin on the left side to figure out your standard deduction on Line 40 (you are also given the option of filling out Schedule A to get itemized deductions instead of a standard deduction. Most JETs, though, will probably get more deducted – and save more time – by just claiming the standard deduction). Line 44 is a bit tricky if you have income other than your JET income. Refer to the notes below and the 1040 instructions (available online at www.irs.gov) to calculate this amount.

Form 1040 (2014)		Page 2	
	38 Amount from line 37 (adjusted gross income)	38	(270 00)
Tax and Credits	39a Check <input type="checkbox"/> You were born before January 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1950, <input type="checkbox"/> Blind. Total boxes checked 39a 0		
	b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b <input type="checkbox"/>		
Standard Deduction for— • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,200 Married filing jointly or Qualifying widow(er), \$12,400 Head of household, \$9,100	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	6200 00
	41 Subtract line 40 from line 38	41	(6470 00)
	42 Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions	42	3950 00
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	0
	44 Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	0
	45 Alternative minimum tax (see instructions). Attach Form 6251	45	0
	46 Excess advance premium tax credit repayment. Attach Form 8962	46	0
	47 Add lines 44, 45, and 46	47	0
	48 Foreign tax credit. Attach Form 1116 if required	48	0
	49 Credit for child and dependent care expenses. Attach Form 2441	49	0
	50 Education credits from Form 8863, line 19	50	0
	51 Retirement savings contributions credit. Attach Form 8880	51	0
	52 Child tax credit. Attach Schedule 8812, if required	52	0
	53 Residential energy credits. Attach Form 5695	53	0
	54 Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	0
55 Add lines 48 through 54. These are your total credits	55	0	
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	0	
Other Taxes	57 Self-employment tax. Attach Schedule SE	57	0
	58 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	0
	59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	0
	60a Household employment taxes from Schedule H	60a	0
	b First-time homebuyer credit repayment. Attach Form 5405 if required	60b	0
	61 Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	61	0
	62 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	0
63 Add lines 56 through 62. This is your total tax	63	0	
Payments If you have a qualifying child, attach Schedule EIC.	64 Federal income tax withheld from Forms W-2 and 1099	64	0
	65 2014 estimated tax payments and amount applied from 2013 return	65	0
	66a Earned income credit (EIC)	66a	0
	b Nontaxable combat pay election 66b 0		
	67 Additional child tax credit. Attach Schedule 8812	67	0
	68 American opportunity credit from Form 8863, line 8	68	0
	69 Net premium tax credit. Attach Form 8962	69	0
	70 Amount paid with request for extension to file	70	0
	71 Excess social security and tier 1 RRTA tax withheld	71	0
	72 Credit for federal tax on fuels. Attach Form 4136	72	0
73 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> Reserved d <input type="checkbox"/>	73	0	
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	0	
Refund Direct deposit? See instructions.	75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	0
	76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	76a	0
	b Routing number c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number		
	77 Amount of line 75 you want applied to your 2015 estimated tax	77	0
Amount You Owe	78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	78	0
	79 Estimated tax penalty (see instructions)	79	0

* Entering numbers in parentheses means it is a negative number.


Line 44

If Line 43 is more than zero, then you will have to calculate your tax for Line 44. If Line 43 is zero, then Line 44 will also be zero. In order to calculate your Tax you will have to make some calculations using the Foreign Earned Income Tax Worksheet—Line 44 below (from page 41 of the 1040 instructions). For Lines 4 and 5 you will have to consult the 2014 Tax Table (page 75 of the 1040 instructions).

Foreign Earned Income Tax Worksheet—Line 44

Keep for Your Records



 If Form 1040, line 43, is zero, do not complete this worksheet.	
1. Enter the amount from Form 1040, line 43	1. _____
2. Enter the amount from your (and your spouse's, if filing jointly) Form 2555, lines 45 and 50, or Form 2555-EZ, line 18	2. _____
3. Add lines 1 and 2	3. _____
4. Tax on the amount on line 3. Use the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet*, Schedule D Tax Worksheet*, or Form 8615, whichever applies. See the instructions for line 44 to see which tax computation method applies. (Do not use a second Foreign Earned Income Tax Worksheet to figure the tax on this line)	4. _____
5. Tax on the amount on line 2. If the amount on line 2 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 2 is \$100,000 or more, use the Tax Computation Worksheet	5. _____
6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44	6. _____

Line 61 – As mentioned earlier in this document, the Health care: individual responsibility line will be determined based on how you fill out Form 8965.

Finishing Form 1040 – Most likely, you will not get a refund nor have to pay taxes. In that case go ahead and sign and date in the box and you should be good to go.

If you are due a refund, congratulations! Fill in your banking information for a direct deposit into your American bank account. If you have to pay taxes, refer to the 1040 instructions on payment methods and where to send your payment.

Sign and date the forms and mail them all to the IRS office in Austin by June 15. Your return will include at least **Form 1040, Form 2555-EZ, Form 8965** and the **Foreign Earned Income Statement**.

Links to Forms

Form 8822 Change of Address (if necessary)

<http://www.irs.gov/pub/irs-pdf/f8822.pdf> (form and instructions)

Form 4868 Application for Extension of Time to File (if necessary)

<http://www.irs.gov/pub/irs-pdf/f4868.pdf> (form and instructions)

Form 2555-EZ Foreign Earned Income Exclusion

<http://www.irs.gov/pub/irs-pdf/f2555ez.pdf> (form)

<http://www.irs.gov/pub/irs-pdf/i2555ez.pdf> (instructions)

Form 8965 Health Coverage Exemptions

<http://www.irs.gov/pub/irs-pdf/f8965.pdf> (form)

<http://www.irs.gov/pub/irs-pdf/i8965.pdf> (instructions)

Form 1040 Individual Income Tax Return

<http://www.irs.gov/pub/irs-pdf/f1040.pdf> (form)

<http://www.irs.gov/pub/irs-pdf/i1040.pdf> (instructions)

Publication 54 Tax Guide for U.S. Citizens and Resident Aliens Abroad

<http://www.irs.gov/pub/irs-pdf/p54.pdf>

Publication 970 Tax Benefits for Education

<http://www.irs.gov/pub/irs-pdf/p970.pdf>

Publication 5187 Health Care Law: What's New for Individuals and Families

<http://www.irs.gov/pub/irs-pdf/p5187.pdf>

Notes and Resources

✧ Other Resources:

The U.S. Embassy in Japan's Tax Page

<http://japan.usembassy.gov/e/acs/tacs-7126b.html>

List of Tax Preparers in Japan

<http://japan.usembassy.gov/e/acs/tacs-tax2.html>

IRS info for U.S. Citizens Living Abroad

<http://www.irs.gov/Individuals/International-Taxpayers/U.S.-Citizens-and-Resident-Aliens-Abroad>

- ✧ Individual cases and circumstances will vary. Additional procedures will be necessary if:
 - You are married and/or have dependents of your own
 - Someone else will claim you as a dependent for the 2014 tax year
 - You had over \$10,000 in foreign bank accounts at any time during 2014 (in this case you will have to file a Report of Foreign Bank and Financial Accounts (FBAR) by June 30. It's pretty straightforward and shouldn't take too much time.). You can also file electronically. For more information go to:
<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Report-of-Foreign-Bank-and-Financial-Accounts-FBAR>
 - You earn income from stocks, bonds, real estate or other investments
 - Any number of other circumstances
- ✧ This guide is in no way affiliated with the IRS or the U.S. Government. The IRS - not this document - is the final authority on tax-related matters.
- ✧ The Federal Reserve Bank average annual exchange rate figure of \$1 = ¥105.74 can be found at <http://www.federalreserve.gov/Releases/g5a/Current/>
- ✧ This packet is intended to familiarize second to fifth year American JETs with the overseas tax-filing process. The process will be slightly different for first year American JETs.
- ✧ It is your responsibility to be aware of the tax filing deadlines and to submit the forms on time. We will not remind you of the deadlines as they come, so please read through the packet carefully.
- ✧ We have compiled a list of frequently asked questions (and answers!) regarding the tax-filing process. These can be viewed on the KumamotoJET website here:
<http://kumamotojet.com/U-S--Taxes.php>
Please do not hesitate to call or e-mail if you have any questions about the tax filing process.