

Internal Revenue Service

Number: **201047015**
Release Date: 11/26/2010
Index Number: 911.11-03

Department of the Treasury
Washington, DC 20224

[Third Party Communication:
Date of Communication: Month DD, YYYY]

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:INTL:B02
PLR-113860-10

Date:
August 23, 2010

Legend

Country X =
Employer Y =
Employer Z =

Year 1 =
Year 5 =
Year 6 =
Year 8 =

A =
B =

Dear :

This is in response to a letter submitted on your behalf by your authorized representative requesting permission to reelect the provisions of section 911 of the Internal Revenue Code ("Code") for Year 8 and subsequent tax years. Additional information was submitted on July 16, 2010.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Taxpayer lived and worked in Country X from Year 1 to Year 6 with Employer Y. In Year 5, Taxpayer revoked his section 911 election to exclude his foreign earned income by attaching a statement to that effect to his Year 5 federal income tax return.

Taxpayer returned to the United States in Year 6. In Year 8, Taxpayer returned to Country X and began work with a new employer, Employer Z. Beginning in Tax Year 8, Country X reduced the top individual income tax rate in Country X from A% to B%.

Taxpayer represents that he has not taken foreign tax credits attributable to income excluded under section 911 and applied them to income earned in Year 5 or subsequent taxable years.

Section 911 of the Code permits certain taxpayers to elect to exclude from gross income their foreign earned income, and housing cost amounts. The election applies to the taxable year for which it is made and for all subsequent taxable years, unless revoked by the taxpayer. Section 911(e)(2) provides that once revoked, the election may not be made again by the taxpayer until the sixth taxable year after the year in which the revocation was made.

However, Treas. Reg. § 1.911-7(b)(2) provides that if an individual revokes an election under Treas. Reg. § 1.911-7(b)(1), and desires to reelect the same exclusion within the next five years, the individual must obtain permission by requesting a ruling. The Service may permit the taxpayer to reelect the foreign earned income exclusion before the sixth year after considering all of the facts and circumstances. Treas. Reg. § 1.911-7(b)(2) provides that relevant facts and circumstances may include a period of United States residence, a move from one foreign country to another foreign country with differing tax rates, a substantial change in the tax laws of the foreign country of residence or physical presence, and a change of employer.

Accordingly, based solely on the information and representations set forth above, Taxpayer may reelect the section 911 foreign earned income exclusion for Year 8 and subsequent tax years.

This ruling is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Jeffery G. Mitchell
Branch Chief
(International)