

## Getting Started

In the first part of this guide, we have picked out and summarized the U.S. tax information that specifically relates to first year American JETs. For complete details, consult **Publication 54** (*Tax Guide for U.S. Citizens and Resident Aliens Abroad*), which can be accessed online at the IRS website ([www.irs.gov](http://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 (**except Form 8822**) to:

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

Additionally, the IRS website ([www.irs.gov](http://www.irs.gov)) has a lot of information available to answer many questions. Go to 'Individuals' and then 'International Taxpayers' and you will find a section of FAQ. Also, you can ask general questions about tax law at [www.irs.gov/help/page/0,,id=133197,00.html](http://www.irs.gov/help/page/0,,id=133197,00.html) and you can call the IRS automated Information Line at (215) 516-2000 for specific questions.

You might need to do something for your individual state taxes. That's not covered here. You'll need to check with your state tax agency. Try Google ☺

## The Forms

Here is a summary of what you will need:

|   |                                      |
|---|--------------------------------------|
| * <b>8822</b> Change of Address   | [file as soon as possible]           |
| * <b>4868</b> Application for Extension of Time to File   | [file by June 15]                    |
| * <b>Foreign Earned Income Statement</b>  | [file with Form 1040]                |
| * <b>2555-EZ</b> Foreign Earned Income Exclusion  | [file with Form 1040]                |
| * <b>W-2</b> U.S. Employers Income Statement  | [file with Form 1040]                |
| * <b>1040</b> Individual Income Tax Return  | [file after 330 total days in Japan] |
| * <b>Publication 970</b> (if you've paid deductible interest on student loans in the last year) |                                      |

**Form 8822 Change of Address**

If you have not done so already, inform the IRS of your address in Japan as soon as possible. Do this using **Form 8822**. Check the box on Line 1 and enter all relevant information on Lines 3-6. On Line 7, enter your Japanese address starting with building name and ending with country and postal code. Skip Part 2 and sign in Part 3. Where you send **Form 8822** depends on your former mailing address (see 8822 instructions).

**Part I Complete This Part To Change Your Home Mailing Address**

Check **all** boxes this change affects:

- 1  Individual income tax returns (Forms 1040, 1040A, 1040EZ, 1040NR, etc.)
  - ▶ If your last return was a joint return and you are now establishing a residence separate from the spouse with whom you filed that return, check here
- 2  Gift, estate, or generation-skipping transfer tax returns (Forms 706, 709, etc.)
  - ▶ For Forms 706 and 706-NA, enter the decedent's name and social security number below.
  - ▶ Decedent's name  Social security number

|   |   |
|---|---|
| <b>3a</b> Your name (first name, initial, and last name)<br><b>Donkey K. Kong</b> | <b>3b</b> Your social security number<br><b>123-45-6789</b> |
| <b>4a</b> Spouse's name (first name, initial, and last name)                      | <b>4b</b> Spouse's social security number                   |

**5a** Your prior name. See instructions.

**5b** Spouse's prior name. See instructions.

**6a** Old address (no., street, apt no., city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.  
**Old Street, Old Town, Old State, 12345**

**6b** Spouse's old address, if different from line 6a (no., street, apt no., city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.

**7** New address (no., street, apt no., city or town, state, and ZIP code). If a P.O. box or foreign address, see instructions.  
**Yamabiru 5, Toricho 4-31, Inakamachi, Kumamotoken, JAPAN 123-4567**

**Form 4868 Extension of Time to File**

Next, file **Form 4868** by June 15. **Form 4868** gives you an extension until October 15 to file the rest of your income tax forms. This extension is necessary your first year, because the income you earn in Japan is exempt from U.S. taxes only after you have been outside the U.S. for 330 days. (See 2555-EZ explanation below.)

Use your Japanese address starting from building name and apt number. On Line 6, you are asked to estimate how much tax you owe. To calculate this figure, you will need to fill out a rough draft of Form 1040 (but do not officially file Form 1040 until later!). Be sure to check the box on Line 8 to indicate that you are a citizen living “out of the country.” **If you owe taxes, you must pay at least an estimated amount when you file Form 4868. Interest will begin to accrue on April 17, so you should turn in Form 4868 (along with a payment) by April 17 if you owe.**

|  |  |  |  |                                      |
|--|--|--|--|--------------------------------------|
| <b>Form 4868</b><br>Department of the Treasury<br>Internal Revenue Service (IRS) |  | <b>Application for Automatic Extension of Time<br/>         To File U.S. Individual Income Tax Return</b><br>For calendar year 2011, or other tax year beginning _____, 2011, ending _____, 20____ |  | OMB No. 1545-0074<br><br><b>2011</b> |
| <b>Part I Identification</b>   |  |  | <b>Part II Individual Income Tax</b>   |                                      |
| 1 Your name(s) (see instructions)<br><b>Donkey K. Kong</b>                       |  |  | 4 Estimate of total tax liability for 2011 . . . \$ <b>30.00</b>   |                                      |
| Address (see instructions)<br><b>Yamabiru 5, Toricho 4-31</b>                    |  |  | 5 Total 2011 payments . . . . . <b>1200.00</b>   |                                      |
| City, town, or post office<br><b>Inakamura, Kumamotoken JAPAN</b>                |  |  | 6 <b>Balance due.</b> Subtract line 5 from line 4<br>(see instructions) . . . . . <b>0.00</b>  |                                      |
| State<br><b>JAPAN</b>  |  |  | 7 Amount you are paying (see instructions) ▶ <b>0.00</b>   |                                      |
| ZIP Code<br><b>123-4567</b>  |  |  | 8 Check here if you are “out of the country” and a U.S.<br>citizen or resident (see instructions) . . . . . <input checked="" type="checkbox"/>                            |                                      |
| 2 Your social security number<br><b>123-45-6789</b>                              |  | 3 Spouse's social security number<br>  |  |                                      |
|  |  |  | 9 Check here if you file Form 1040NR or 1040NR-EZ and<br>did not receive wages as an employee subject to U.S.<br>income tax withholding . . . . . <input type="checkbox"/> |                                      |

4868 Line 4 = 1040 Line 61

4868 Line 5 = 1040 Line 72 (excluding Line 68)

NOTE: You get an automatic 2-month extension (from April 17\* to June 15) to file your income tax return because you were out of the US on the regular due date (April 17). However, the automatic extension is not enough to allow you to meet the Form 2555-EZ Physical Presence Test for exempting your Japanese income (more below).

\*The regular due date for taxes is usually April 15, but this year April 15 falls on a Sunday, and April 16 is Emancipation Day, a holiday observed in the District of Columbia. Federal law states that District of Columbia holidays impact tax deadlines in the same way that federal holidays do. You learn something new every day.

## Foreign Earned Income Statement

Photocopy the small form that your school or BOE gave you showing how much money you made in 2011. 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

| 平成 年分 給与所得の源泉徴収票   |             |                 |            |               |           |             |           |              |     |
|--------------------|-------------|-----------------|------------|---------------|-----------|-------------|-----------|--------------|-----|
| 支払<br>を受け<br>る者    | 住所又は居所      | 氏名 (受給者番号)      |            |               |           |             |           |              |     |
|                    |             | 氏名 (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           | 円               | 円          | 円             | 円         | 円           | 円         | 円            |     |
| (備考) 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 | 配偶者の合計所得  |              | 円   |
|                    |             |                 |            |               | 円         | 個人年金保険料の金額  |           | 円            |     |
|                    |             |                 |            |               | 円         | 田舎居住者控除の金額  |           | 円            |     |
| 未成年者               | 乙種          | 本人の障害者          | 寡婦         | 寡夫            | 勤労学生      | 死亡退職        | 災害者       | 外国人          | その他 |
| 支払者                | 住所(居所)又は所在地 | 氏名又は名称 (電話)     |            |               |           |             |           |              |     |

- ① Address 住所
- ② Name 名前
- ③ Net salary 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 after deducting tax exemptions from ③.  
③から給与所得控除額を引いた額
- ⑤ Amount deducted based on Social Insurance and Life Insurance payments  
社会保険料、生命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 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

**Form 2555-EZ Foreign Earned Income Exclusion**

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

Part I - Almost everyone will fail the Bona Fide Residence Test, but pass the Physical Presence Test and Tax Home Test. To meet this test, you must be present in a foreign country, or countries, for at least 330 full days during any 12-month period that begins or ends in 2011.

**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 page 2 of the 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—  
{ 2011 or any other period of 12 months in a row starting or ending in 2011? }  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 ► July 25, 2011 through ► July 24, 2012 .

- 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.

The dates you enter on Line 2b will depend on when you arrived in Japan. Here are the arrival dates for the 2011 new JET participants:

- Group A: July 25, 2011 → Enter: July 25, 2011 through July 24, 2012
- Group B: August 1, 2011 → Enter: August 1, 2011 through July 31, 2012
- Group C: August 25, 2011 → Enter: August 25, 2011 through August 24, 2012

For those of you who arrived after Group C, your dates will be different.

**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, write in ALL addresses at which you were taxed during the last year, including home, college, Japan, etc. and the dates you lived there. Make sure the whole year is covered. Month to month is enough--you don't need to specify the exact day you moved.

**Part II**    **General Information**

|   |   |  |
|---|---|--|
| <b>4</b> Your foreign address (including country)<br>Yamabiru 5, Toricho 4-31<br>Inakamura, Kumamotoken, JAPAN 123-4567   |   | <b>5</b> Your occupation<br>Assistant Language Teacher<br>OR Coordinator for<br>International Relations    |
| <b>6</b> Employer's name<br>Kumamoto Prefecture (for SHS ALTs)<br>Your City/Town/Village (JHS/ES ALTs)<br>Your City/Town/Village (for CIRs)   | <b>7</b> Employer's U.S. address (including ZIP code)<br>NA | <b>8</b> Employer's foreign address<br>Base School Address (for SHS ALTs)<br>BOE Address (for JHS/ES ALTs) |
| <b>9</b> Employer is (check any that apply): <ul style="list-style-type: none"> <li><b>a</b> A U.S. business . . . . . <input type="checkbox"/></li> <li><b>b</b> A foreign business . . . . . <input type="checkbox"/></li> <li><b>c</b> Other (specify) ► <u>Foreign Local Government Office</u> <input checked="" type="checkbox"/></li> </ul> |   |  |
| <b>10a</b> If you filed Form 2555 or 2555-EZ after 1981, enter the last year you filed the form. ► _____  |   |  |
| <b>b</b> If you did not file Form 2555 or 2555-EZ after 1981, check here ► <input checked="" type="checkbox"/> and go to line 11a now.  |   |  |
| <b>c</b> Have you ever revoked the foreign earned income exclusion? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No  |   |  |
| <b>d</b> If you answered "Yes," enter the tax year for which the revocation was effective. ► _____  |   |  |
| <b>11a</b> List your tax home(s) during 2011 and date(s) established. ► <u>List all tax homes (all addresses you lived at) in 2011 and the dates you lived there</u>  |   |  |
| <b>b</b> Of what country are you a citizen/national? ► <u>USA</u>   |   |  |

**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. The date you left the U.S. should be entered in the second column (Date left U.S.) of the top row. Write N/A in the first column (Date arrived in U.S.) of the top row. If you returned to the U.S. during 2011 after coming to Japan, please see the example on the next page. If not, see the example below.

**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 2011, 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. 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 2011 average Yen/USD exchange rate as reported by the Federal Reserve Bank to calculate the amount reported on Line 17. That rate was \$1 = ¥79.70." 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 2011.

| 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                       | July 24, 2011      | 0                                      | 0  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |

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

|    |   |    |          |      |
|----|---|----|----------|------|
| 13 | Maximum foreign earned income exclusion . . . . .   | 13 | \$92,900 | 00   |
| 14 | Enter the number of days in your qualifying period that fall within 2011 . . . . .  | 14 | 160      | days |
| 15 | Did you enter 365 on line 14?<br><input type="checkbox"/> Yes. Enter "1.000."<br><input checked="" type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places). } . . . . .  | 15 | x        | .438 |
| 16 | Multiply line 13 by line 15 . . . . .   | 16 | 40690    | 20   |
| 17 | Enter, in U.S. dollars, the total foreign earned income you earned and received in 2011 (see instructions). Be sure to include this amount on Form 1040, line 7 . . . . .   | 17 | 16311    | 17   |
| 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 | 16311    | 17   |

If you returned to the U.S. anytime in 2011 after coming to Japan, 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 2011.

| 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                       | July 24, 2011      | 0                                      | 0  |
|    | December 19, 2011        | January 4, 2012    | 0                                      | 0  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |
|    |                          |                    |  |  |

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

|    |   |    |          |      |
|----|---|----|----------|------|
| 13 | Maximum foreign earned income exclusion . . . . .   | 13 | \$92,900 | 00   |
| 14 | Enter the number of days in your qualifying period that fall within 2011 . . . . .  | 14 | 147      | days |
| 15 | Did you enter 365 on line 14?<br><input type="checkbox"/> Yes. Enter "1.000."<br><input checked="" type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places). } . . . . .  | 15 | x        | .403 |
| 16 | Multiply line 13 by line 15 . . . . .   | 16 | 37,435   | 70   |
| 17 | Enter, in U.S. dollars, the total foreign earned income you earned and received in 2011 (see instructions). Be sure to include this amount on Form 1040, line 7 . . . . .   | 17 | 16,311   | 17   |
| 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 | 16,311   | 17   |

**W-2 Income Statement from U.S. Employers**

You need to file one **W-2** from each place you were employed in the U.S. during 2011. Your former employers should send these to you. If you have not received a **W-2** from past employers, contact them directly.

**Form 1040 Individual Income Tax Return**

This is the form where you report how much total money you earned in 2011. 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.

You also need to attach a signed statement to Form 1040 stating that you are claiming the automatic 2-month extension because you reside outside the U.S. and your main place of business is outside the U.S.

**Label - Exemptions** - Enter your name and address information, social security #, and filing status. Claim yourself as an exemption on Line 6. (Some recent college graduates are claimed as dependants by their parents. If this is your case, do not check box 6a. This will affect the number of exemptions on the right and the amount on Line 42.)

| <b>Form 1040</b> Department of the Treasury—Internal Revenue Service (99)   |           | <b>2011</b>   | OMB No. 1545-0074                      | IRS Use Only—Do not write or staple in this space.   |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
|---|-----------|---|--|--|---|-----------|--|-------------------------------------|--|--|--|--|--|--------------------------|--|--|--|--|--------------------------|--|--|--|--|--------------------------|--|--|--|--|--------------------------|
| For the year Jan. 1–Dec. 31, 2011, or other tax year beginning _____, 2011, ending _____, 20  |           |   | See separate instructions.             |  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| Your first name and initial<br><b>Donkey K.</b>   |           | Last name<br><b>Kong</b>  |  | Your social security number<br><b>1 2 3 4 5 6 7 8 9</b>  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| If a joint return, spouse's first name and initial  |           | Last name   |  | Spouse's social security number  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| Home address (number and street). If you have a P.O. box, see instructions.<br><b>Yamabiru, Toricho 4-31</b>                                      |           |   | Apt. no.<br><b>5</b>                   | ▲ 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).<br><b>Inakamura</b> |           |   | Presidential Election Campaign         |  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| Foreign country name<br><b>JAPAN</b>  |           | Foreign province/county<br><b>Kumamoto</b>  | Foreign postal code<br><b>123-4567</b> |  | 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. <input type="checkbox"/> You <input type="checkbox"/> Spouse |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| <b>Filing Status</b>  |           | <b>1</b> <input checked="" type="checkbox"/> Single<br><b>2</b> <input type="checkbox"/> Married filing jointly (even if only one had income)<br><b>3</b> <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶<br><b>4</b> <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. ▶<br><b>5</b> <input type="checkbox"/> Qualifying widow(er) with dependent child  |  |  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| <b>Exemptions</b>   |           | <b>6a</b> <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, <b>do not</b> check box 6a . . . . .<br><b>b</b> <input type="checkbox"/> Spouse . . . . .<br><b>c Dependents:</b><br><table border="1"> <thead> <tr> <th>(1) First name</th> <th>Last name</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> </tbody> </table> |  |  | (1) First name  | Last name | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions) |  |  |  |  | <input type="checkbox"/> |
| (1) First name  | Last name | (2) Dependent's social security number  | (3) Dependent's relationship to you    | (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"/>   |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
| If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>  |           | <b>d</b> Total number of exemptions claimed . . . . .   |  |  |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |
|   |           |   |  | <b>Boxes checked on 6a and 6b</b> <b>1</b><br><b>No. of children on 6c who:</b><br>• lived with you <b>0</b><br>• did not live with you due to divorce or separation (see instructions) <b>0</b><br>Dependents on 6c not entered above<br><b>Add numbers on lines above ▶</b> <b>1</b> |   |           |  |                                     |  |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |  |  |  |  |                          |

**Income** - On Line 7, add the total of your 2011 U.S. income, including all W-2s, and your income from Japan (Form 2555-EZ, Line 17). 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. 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 2011.

|   |     |   |     |         |    |
|---|-----|---|-----|---------|----|
| <b>Income</b>   | 7   | Wages, salaries, tips, etc. Attach Form(s) W-2  | 7   | 26311   | 17 |
|   | 8a  | Taxable interest. Attach Schedule B if required   | 8a  | 30      | 00 |
| Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. | b   | Tax-exempt interest. Do not include on line 8a  | 8b  | 0       |    |
|   | 9a  | Ordinary dividends. Attach Schedule B if required   | 9a  | 0       |    |
| If you did not get a W-2, see instructions.                                     | b   | Qualified dividends   | 9b  | 0       |    |
|   | 10  | Taxable refunds, credits, or offsets of state and local income taxes  | 10  | 0       |    |
| Enclose, but do not attach, any payment. Also, please use Form 1040-V.          | 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       |    |
|   | 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 <b>2555-EZ</b>   | 21  | (16311) | 17 |
|   | 22  | Combine the amounts in the far right column for lines 7 through 21. This is your total income               | 22  | 10030   | 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](http://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.

|                              |   |  |      |     |    |
|------------------------------|---|--|------|-----|----|
| <b>Adjusted Gross Income</b> | 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   | 31a  | 0   |    |
|                              | b   | Recipient's SSN  | 31b  |     |    |
|                              | 32  | IRA deduction  | 32   | 0   |    |
|                              | 33  | Student loan interest deduction  | 33   | 300 | 00 |
|                              | 34  | Tuition and fees. Attach Form 8817   | 34   | 0   |    |
| 35                           | Domestic production activities deduction. Attach Form 8803        | 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   | 9730 | 00  |    |

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 1040 instructions page 33 to figure out your standard deduction on Line 40. Line 44 is a bit tricky. Refer to the notes below and the 1040 instructions (available online at [www.irs.gov](http://www.irs.gov)) to calculate this amount.

|  |  |   |      |      |    |
|--|--|---|------|------|----|
| <b>Tax and Credits</b>   | 38   | Amount from line 37 (adjusted gross income)   | 38   | 9730 | 00 |
|  | 39a  | Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. Total boxes checked ▶ 39a   | 0    |      |    |
| <b>Standard Deduction for—</b><br>• People who check any box on line 39a or 39b or who can be claimed as a dependent, see Instructions.<br>• All others:<br>Single or Married filing separately, \$5,800<br>Married filing jointly or Qualifying widow(er), \$11,600<br>Head of household, \$8,500 | b  | If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b <input type="checkbox"/>   |      |      |    |
|  | 40   | Itemized deductions (from Schedule A) or your standard deduction (see left margin)  | 40   | 5800 | 00 |
|  | 41   | Subtract line 40 from line 38   | 41   | 3930 | 00 |
|  | 42   | Exemptions. Multiply \$3,700 by the number on line 6d.  | 42   | 3700 | 00 |
|  | 43   | Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-   | 43   | 230  | 00 |
|  | 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"/> 962 election   | 44   | 30   | 00 |
|  | 45   | Alternative minimum tax (see instructions). Attach Form 6251  | 45   | 0    |    |
|  | 46   | Add lines 44 and 45   | 46   | 30   | 00 |
|  | 47   | Foreign tax credit. Attach Form 1116 if required  | 47   | 0    |    |
|  | 48   | Credit for child and dependent care expenses. Attach Form 2441  | 48   | 0    |    |
|  | 49   | Education credits from Form 8863, line 23   | 49   | 0    |    |
|  | 50   | Retirement savings contributions credit. Attach Form 8880   | 50   | 0    |    |
|  | 51   | Child tax credit (see instructions)   | 51   | 0    |    |
|  | 52   | Residential energy credits. Attach Form 5695  | 52   | 0    |    |
|  | 53   | Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>   | 53   | 0    |    |
| 54   | Add lines 47 through 53. These are your total credits  | 54  | 0    |      |    |
| 55   | Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-  | 55  | 30   | 00   |    |
| <b>Other Taxes</b>   | 56   | Self-employment tax. Attach Schedule SE   | 56   | 0    |    |
|  | 57   | Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919  | 57   | 0    |    |
|  | 58   | Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required   | 58   | 0    |    |
|  | 59a  | Household employment taxes from Schedule H  | 59a  | 0    |    |
|  | b  | First-time homebuyer credit repayment. Attach Form 5405 if required   | 59b  | 0    |    |
|  | 60   | Other taxes. Enter code(s) from Instructions  | 60   | 0    |    |
| 61   | Add lines 55 through 60. This is your total tax  | 61  | 30   | 00   |    |
| <b>Payments</b>  | 62   | Federal income tax withheld from Forms W-2 and 1099   | 62   | 1200 | 00 |
|  | 63   | 2011 estimated tax payments and amount applied from 2010 return   | 63   | 0    |    |
|  | 64a  | Earned income credit (EIC)  | 64a  | 0    |    |
|  | b  | Nontaxable combat pay election <input type="checkbox"/> 64b   |      |      |    |
|  | 65   | Additional child tax credit. Attach Form 8812   | 65   | 0    |    |
|  | 66   | American opportunity credit from Form 8863, line 14   | 66   | 0    |    |
|  | 67   | First-time homebuyer credit from Form 5405, line 10   | 67   | 0    |    |
|  | 68   | Amount paid with request for extension to file  | 68   | 0    |    |
|  | 69   | Excess social security and tier 1 RRTA tax withheld   | 69   | 0    |    |
|  | 70   | Credit for federal tax on fuels. Attach Form 4136   | 70   | 0    |    |
| 71   | Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885 | 71  | 0    |      |    |
| 72   | Add lines 62, 63, 64a, and 65 through 71. These are your total payments  | 72  | 1200 | 00   |    |
| <b>Refund</b>  | 73   | If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid   | 73   | 1170 | 00 |
|  | 74a  | Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>   | 74a  | 1170 | 00 |
| Direct deposit? See Instructions.  | b  | Routing number <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="9"/> ▶ e Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings   |      |      |    |
|  | d  | Account number <input type="text" value="m"/> <input type="text" value="o"/> <input type="text" value="m"/> <input type="text" value="o"/> <input type="text" value="n"/> <input type="text" value="e"/> <input type="text" value="y"/> <input type="text" value="m"/> <input type="text" value="o"/> <input type="text" value="p"/> <input type="text" value="r"/> <input type="text" value="o"/> <input type="text" value="b"/> <input type="text" value="l"/> <input type="text" value="e"/> <input type="text" value="m"/> <input type="text" value="s"/> |      |      |    |
| 75   | Amount of line 73 you want applied to your 2012 estimated tax ▶  | 75  | 0    |      |    |
| <b>Amount You Owe</b>  | 76   | Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions ▶  | 76   | 0    |    |
|  | 77   | Estimated tax penalty (see instructions)  | 77   | 0    |    |

Line 44

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 36 of the 1040 instructions). For Lines 4 and 5 you will have to consult the 2011 Tax Table beginning on page 74 of the 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. <b>Tax on the amount on line 3.</b> 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 on page 35 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. <b>Tax on the amount on line 2.</b> 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. _____ |

Finishing Form 1040 - Sign and date in the box and you should be good to go. Whooh!

Before October 15 and after you have been in Japan for 330 days, sign and date the forms and mail them all to the IRS office in Austin. Your return will include at least **Form 1040, Form 2555-EZ,** and the **Foreign Earned Income Statement.** It will also include W-2s if you were employed before JET.

## Links to Forms

**Form 8822** Change of Address

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

**Form 4868** Application for Extension of Time to File

<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 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>

## 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>

Contact the IRS

<http://www.irs.gov/help/page/0,,id=133197,00.html>

- ❖ Individual cases and circumstances will vary. Additional procedures will be necessary if:
  - You are married and/or have dependants of your own
  - Someone else will claim you as a dependant for the 2011 tax year
  - You had over \$10,000 in foreign bank accounts at any time during 2011 (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 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 = ¥79.70 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 PA Wiki here: <http://kumamotopa.pbworks.com/US-Tax-FAQ>  
Please do not hesitate to call or e-mail if you have any questions about the tax filing process.