

U.S. Taxpayers Living Abroad Reminded of Reporting and Tax Obligations

Toronto, Ontario Feb 22, 2023 ([Issuewire.com](https://www.issuewire.com)) - As the tax filing season approaches, [the Internal Revenue Service \(IRS\) reminds U.S. taxpayers living abroad of their obligations](#) to report their worldwide income and pay taxes in accordance with the Internal Revenue Code.

U.S. citizens and resident aliens, regardless of their location, are required to file an annual income tax return with the IRS. This includes reporting income from foreign sources, such as wages, salaries, and investments. Failure to report and pay taxes on foreign income can result in penalties and fines.

However, U.S. taxpayers living abroad may be eligible for certain tax credits and exclusions, such as the Foreign Earned Income Exclusion (FEIE), which can reduce the amount of taxes owed. The FEIE allows individuals to exclude a certain amount of their foreign earned income from their U.S. taxable income. The exclusion amount for the tax year 2021 is \$107,600.

Additionally, U.S. taxpayers living abroad may also be eligible for the Foreign Tax Credit, which allows individuals to claim a credit for foreign taxes paid on foreign-source income. This credit can help to offset the double taxation that can occur when foreign income is subject to both foreign and U.S. taxes.

U.S. taxpayers living abroad should also be aware of their obligations to file foreign bank account reports, commonly known as FBARs. These reports are required for individuals who have a financial interest in or signature authority over foreign financial accounts with a total value of over \$10,000 at any time during the calendar year.

The IRS also reminds U.S. taxpayers living abroad that the due date for filing their tax returns and paying any taxes owed is still April 15th, even if they are living outside of the United States. However, U.S. taxpayers living abroad may be eligible for an automatic two-month extension to file their tax returns without requesting an extension.

To help U.S. taxpayers living abroad navigate their tax obligations, the IRS offers a variety of resources, such as the International Taxpayers page on IRS.gov and the IRS Tax Assistance Center for U.S. Citizens and Resident Aliens Abroad. Taxpayers can also seek [professional tax advice](#) to ensure that they are in compliance with their tax obligations.

The IRS encourages U.S. taxpayers living abroad to stay informed of their tax obligations and to file their tax returns on time to avoid potential penalties and fines. For more information on tax obligations for U.S. taxpayers living abroad, please visit IRS.gov or contact the IRS Tax Assistance Center for U.S. Citizens and Resident Aliens Abroad.

Note: The information provided in this press release is for informational purposes only and should not be considered legal or tax advice. U.S. taxpayers should seek [professional tax advice](#) for their specific situation.

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