

Part III - Administrative, Procedural, and Miscellaneous

Determination of housing cost amount eligible for exclusion or deduction for 2013.

Notice 2013-31

SECTION 1. PURPOSE

This notice provides adjustments to the limitation on housing expenses for purposes of section 911 of the Internal Revenue Code (Code) for specific locations for 2013. These adjustments are made on the basis of geographic differences in housing costs relative to housing costs in the United States.

SECTION 2. BACKGROUND

Section 911(a) of the Code allows a qualified individual to elect to exclude from gross income the foreign earned income and housing cost amount of such individual. Section 911(c)(1) defines the term "housing cost amount" as an amount equal to the excess of (A) the housing expenses of an individual for the taxable year to the extent such expenses do not exceed the amount determined under section 911(c)(2), over (B) 16 percent of the exclusion amount (computed on a daily basis) in effect under section 911(b)(2)(D) for the calendar year in which such taxable year begins (\$267.40 per day for 2013, or \$97,600 for the full year), multiplied by the number of days of that taxable

year within the applicable period described in section 911(d)(1). The applicable period is the period during which the individual meets the tax home requirement of section 911(d)(1) and either the bona fide residence requirement of section 911(d)(1)(A) or the physical presence requirement of section 911(d)(1)(B). Assuming that the entire taxable year of a qualified individual is within the applicable period, the section 911(c)(1)(B) amount for 2013 is \$15,616 ($\$97,600 \times .16$).

Section 911(c)(2)(A) of the Code limits the housing expenses taken into account in section 911(c)(1)(A) to an amount equal to (i) 30 percent (adjusted as may be provided under the Secretary's authority under section 911(c)(2)(B)) of the amount (computed on a daily basis) in effect under section 911(b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by (ii) the number of days of that taxable year within the applicable period described in section 911 (d)(1). Thus, under this general limitation, a qualified individual whose entire taxable year is within the applicable period is limited to maximum housing expenses of \$29,280 ($\$97,600 \times .30$) in 2013.

Section 911(c)(2)(B) of the Code authorizes the Secretary to issue regulations or other guidance to adjust the percentage under section 911(c)(2)(A)(i) based on geographic differences in housing costs relative to housing costs in the United States. Pursuant to this authority, the Internal Revenue Service (IRS) and the Treasury Department published Notice 2006-87, 2006-2 C.B. 766, and Notice 2007-25, 2007-1 C.B. 760, for 2006; Notice 2007-77, 2007-2 C.B. 735, for 2007; Notice 2008-107, 2008-2 C.B. 1266, for 2008 and 2009; Notice 2010-27, 2010-1 C.B. 531, for 2009 and 2010;

Notice 2011-8, 2011-1 C.B. 503, for 2010 and 2011; and Notice 2012-19, 2012-1 C.B. 440, for 2012 and 2013 to provide adjustments to the limitation on housing expenses for qualified individuals incurring housing expenses in countries with high housing costs relative to housing costs in the United States.

SECTION 3. TABLE OF ADJUSTED LIMITATIONS FOR 2013

The following table provides adjusted limitations on housing expenses (in lieu of the otherwise applicable limitation of \$29,280) for 2013.

Country	Location	Limitation on Housing Expenses (daily)	Limitation on Housing Expenses (full year)
Angola	Luanda	230.14	84,000
Argentina	Buenos Aires	154.79	56,500
Australia	Adelaide	96.44	35,200
Australia	Brisbane	95.34	34,800
Australia	Canberra	83.84	30,600
Australia	Darwin, Northern Country	83.84	30,600
Australia	Gold Coast	95.34	34,800
Australia	Melbourne	122.19	44,600
Australia	Oakey	95.34	34,800
Australia	Perth	130.68	47,700
Australia	Sydney	89.81	32,782

Australia	Toowoomba	95.34	34,800
Austria	Vienna	96.99	35,400
Bahamas, The	Grand Bahama Island	84.66	30,900
Bahamas, The	Nassau	136.16	49,700
Bahrain	Bahrain	120.55	44,000
Barbados	Barbados	103.29	37,700
Belgium	Antwerp	96.16	35,100
Belgium	Brussels	128.77	47,000
Belgium	Gosselies	115.34	42,100
Belgium	Hoogbuul	96.16	35,100
Belgium	Mons	115.34	42,100
Belgium	SHAPE/Chievres	115.34	42,100
Bermuda	Bermuda	246.58	90,000
Bosnia-Herzegovina	Sarajevo	82.19	30,000
Brazil	Brasilia	126.03	46,000
Brazil	Rio de Janeiro	96.16	35,100
Brazil	Sao Paulo	155.07	56,600
Canada	Calgary	129.86	47,400
Canada	Dartmouth	107.95	39,400
Canada	Edmonton	103.29	37,700
Canada	Halifax	107.95	39,400
Canada	London, Ontario	88.22	32,200
Canada	Montreal	166.03	60,600

Canada	Ottawa	148.49	54,200
Canada	Quebec	126.03	46,000
Canada	Toronto	153.97	56,200
Canada	Vancouver	136.71	49,900
Canada	Victoria	97.53	35,600
Canada	Winnipeg	93.15	34,000
Cayman Islands	Grand Cayman	131.51	48,000
Chile	Santiago	153.70	56,100
China	Beijing	195.07	71,200
China	Hong Kong	313.15	114,300
China	Shanghai	156.17	57,001
Colombia	Bogota	160.82	58,700
Colombia	All cities other than Bogota	135.34	49,400
Costa Rica	San Jose	87.67	32,000
Denmark	Copenhagen	119.74	43,704
Dominican Republic	Santo Domingo	124.66	45,500
Ecuador	Guayaquil	84.38	30,800
Ecuador	Quito	89.32	32,600
Estonia	Tallinn	127.67	46,600
France	Garches	226.03	82,500
France	Le Havre	91.23	33,300
France	Lyon	127.12	46,400
France	Marseille	121.92	44,500

France	Montpellier	102.47	37,400
France	Paris	226.03	82,500
France	Sevres	226.03	82,500
France	Suresnes	226.03	82,500
France	Versailles	226.03	82,500
Germany	Babenhausen	110.96	40,500
Germany	Bad Aibling	94.52	34,500
Germany	Bad Nauheim	88.77	32,400
Germany	Baumholder	107.40	39,200
Germany	Berlin	135.34	49,400
Germany	Birkenfeld	107.40	39,200
Germany	Boeblingen	134.52	49,100
Germany	Bonn	115.07	42,000
Germany	Butzbach	86.58	31,600
Germany	Cologne	153.97	56,200
Germany	Darmstadt	110.96	40,500
Germany	Frankfurt am Main	115.62	42,200
Germany	Friedberg	88.77	32,400
Germany	Garmisch-Partenkirchen	102.47	37,400
Germany	Gelnhausen	139.73	51,000
Germany	Germersheim	83.84	30,600
Germany	Giebelstadt	95.89	35,000
Germany	Giessen	98.63	36,000

Germany	Grafenwoehr	110.41	40,300
Germany	Hanau	139.73	51,000
Germany	Hannover	82.74	30,200
Germany	Heidelberg	103.56	37,800
Germany	Idar-Oberstein	107.40	39,200
Germany	Ingolstadt	156.16	57,000
Germany	Kaiserslautern, Landkreis	133.70	48,800
Germany	Kitzingen	95.89	35,000
Germany	Leimen	103.56	37,800
Germany	Ludwigsburg	134.52	49,100
Germany	Mainz	149.86	54,700
Germany	Mannheim	103.56	37,800
Germany	Munich	156.16	57,000
Germany	Nellingen	134.52	49,100
Germany	Neubruecke	107.40	39,200
Germany	Ober Ramstadt	110.96	40,500
Germany	Oberammergau	102.47	37,400
Germany	Pirmasens	133.70	48,800
Germany	Rheinau	103.56	37,800
Germany	Schwetzingen	103.56	37,800
Germany	Seckenheim	103.56	37,800
Germany	Sembach	133.70	48,800
Germany	Stuttgart	134.52	49,100

Germany	Vilseck	110.41	40,300
Germany	Wahn	115.07	42,000
Germany	Wertheim	95.89	35,000
Germany	Wiesbaden	149.86	54,700
Germany	Wuerzburg	95.89	35,000
Germany	Zweibruecken	133.70	48,800

Germany	All cities other than Augsburg, Babenhausen, Bad Aibling, Bad Kreuznach, Bad Nauheim, Baumholder, Berchtesgaden, Berlin, Birkenfeld, Boeblingen, Bonn, Bremen, Bremerhaven, Butzbach, Cologne, Darmstadt, Delmenhorst, Duesseldorf, Erlangen, Flensburg, Frankfurt am Main, Friedberg, Fuerth, Garlstedt, Garmisch-Partenkirchen, Geilenkirchen, Gelnhausen, Germersheim, Giebelstadt, Giessen, Grafenwoehr, Grefrath, Greven, Gruenstadt, Hamburg, Hanau, Handorf, Hannover, Heidelberg, Heilbronn, Herongen, Idar-Oberstein, Ingolstadt, Kaiserslautern, Landkreis, Kalkar, Karlsruhe, Kerpen, Kitzingen, Koblenz, Leimen, Leipzig, Ludwigsburg, Mainz, Mannheim, Mayen, Moenchen-Gladbach, Muenster, Munich, Nellingen, Neubruecke, Noervenich, Nuernberg, Ober Ramstadt, Oberammergau, Osterholz-Scharmbeck, Pirmasens, Rheinau, Rheinberg, Schwabach, Schwetzingen, Seckenheim, Sembach, Stuttgart, Twisteden, Vilseck, Wahn, Wertheim, Wiesbaden, Worms, Wuerzburg, Zirndorf and Zweibrueken	108.77	39,700
Ghana	Accra	98.63	36,000
Greece	Argyroupolis	86.30	31,500

Greece	Athens	110.68	40,400
Greece	Elefsis	110.68	40,400
Greece	Ellinikon	110.68	40,400
Greece	Mt. Hortiatis	86.30	31,500
Greece	Mt. Parnis	110.68	40,400
Greece	Mt. Pateras	110.68	40,400
Greece	Nea Makri	110.68	40,400
Greece	Perivolaki	86.30	31,500
Greece	Piraeus	110.68	40,400
Greece	Tanagra	110.68	40,400
Greece	Thessaloniki	86.30	31,500
Guatemala	Guatemala City	113.70	41,500
Guyana	Georgetown	95.89	35,000
Holy See, The	Holy See, The	150.41	54,900
Hungary	Budapest	89.04	32,500
Hungary	Papá	121.92	44,500
India	Mumbai	186.08	67,920
India	New Delhi	82.88	30,252
Indonesia	Jakarta	103.50	37,776
Ireland	Dublin	130.96	47,800
Ireland	Shannon Area	103.56	37,800
Israel	Tel Aviv	139.18	50,800
Italy	Catania	88.22	32,200

Italy	Genoa	114.52	41,800
Italy	Gioia Tauro	85.48	31,200
Italy	La Spezia	110.68	40,400
Italy	Leghorn	94.25	34,400
Italy	Milan	224.93	82,100
Italy	Naples	143.01	52,200
Italy	Parma	114.25	41,700
Italy	Pisa	94.25	34,400
Italy	Pordenone-Aviano	114.25	41,700
Italy	Rome	150.41	54,900
Italy	Sigonella	88.22	32,200
Italy	Turin	112.60	41,100
Italy	Vicenza	115.34	42,100
Italy	All cities other than Avellino, Brindisi, Catania, Florence, Gaeta, Genoa, Gioia Tauro, La Spezia, Leghorn, Milan, Mount Vergine, Naples, Nettuno, Parma, Pisa, Pordenone-Aviano, Rome, Sardinia, Sigonella, Turin, Verona, and Vicenza.	92.05	33,600
Jamaica	Kingston	112.88	41,200
Japan	Akashi	107.12	39,100
Japan	Akizuki	94.25	34,400
Japan	Atsugi	139.73	51,000
Japan	Camp Zama	139.73	51,000

Japan	Chiba-Ken	150.96	55,100
Japan	Fussa	139.73	51,000
Japan	Gifu	203.56	74,300
Japan	Gotemba	102.19	37,300
Japan	Haneda	139.73	51,000
Japan	Iwakuni	107.95	39,400
Japan	Kanagawa-Ken	139.73	51,000
Japan	Komaki	203.56	74,300
Japan	Machidi-Shi	139.73	51,000
Japan	Misawa	116.16	42,400
Japan	Nagoya	203.56	74,300
Japan	Okinawa Prefecture	188.22	68,700
Japan	Osaka-Kobe	248.39	90,664
Japan	Sagamihara	139.73	51,000
Japan	Saitama-Ken	139.73	51,000
Japan	Sasebo	115.89	42,300
Japan	Tachikawa	139.73	51,000
Japan	Tokyo	320.82	117,100
Japan	Tokyo-to	139.73	51,000
Japan	Yokohama	175.89	64,200
Japan	Yokosuka	163.01	59,500
Japan	Yokota	139.73	51,000
Kazakhstan	Almaty	131.51	48,000

Korea	Ammo Depot #9	81.10	29,600
Korea	Camp Carroll	88.77	32,400
Korea	Camp Colbern	153.42	56,000
Korea	Camp Market	153.42	56,000
Korea	Camp Mercer	153.42	56,000
Korea	Chinhae	82.19	30,000
Korea	K-16	153.42	56,000
Korea	Kimhae	83.84	30,600
Korea	Kimpo Airfield	153.42	56,000
Korea	Munsan	94.25	34,400
Korea	Osan AB	96.71	35,300
Korea	Pusan	83.84	30,600
Korea	Pyongtaek	96.16	35,100
Korea	Seoul	153.42	56,000
Korea	Suwon	153.42	56,000
Korea	Taegu	92.05	33,600
Korea	Tongduchon	87.40	31,900
Korea	Uijongbu	90.96	33,200
Korea	Waegwan	88.77	32,400

Korea	All cities other than Ammo Depot #9, Camp Carroll, Camp Colbern, Camp Market, Camp Mercer, Changwon, Chinhae, Chunchon, K-16, Kimhae, Kimpo Airfield, Kunsun, Kwangju, Munsan, Osan AB, Pusan, Pyongtaek, Seoul, Suwon, Taegu, Tongduchon, Uijongbu, and Waegwan	88.77	32,400
Kuwait	Kuwait City	176.44	64,400
Kuwait	All cities other than Kuwait City	158.08	57,700
Luxembourg	Luxembourg	123.56	45,100
Macedonia	Skopje	96.99	35,400
Malaysia	Kuala Lumpur	126.58	46,200
Malaysia	All cities other than Kuala Lumpur	92.33	33,700
Mexico	Malta	138.36	50,500
Mexico	Mazatlan	84.93	31,000
Mexico	Merida	103.84	37,900
Mexico	Mexico City	131.23	47,900
Mexico	Monterrey	90.96	33,200
Mexico	All cities other than Ciudad Juarez, Cuernavaca, Guadalajara, Hermosillo, Matamoros, Mazatlan, Merida, Metapa, Mexico City, Monterrey, Nogales, Nuevo Laredo, Reynosa, Tapachula, Tijuana, Tuxtla Gutierrez, and Veracruz	107.95	39,400
Mozambique	Maputo	108.22	39,500
Namibia	Windhoek	87.95	32,100

Netherlands	Amsterdam	144.93	52,900
Netherlands	Aruba	98.63	36,000
Netherlands	Brunssum	106.30	38,800
Netherlands	Eygelshoven	106.30	38,800
Netherlands	Hague, The	179.45	65,500
Netherlands	Heerlen	106.30	38,800
Netherlands	Hoensbroek	106.30	38,800
Netherlands	Hulsberg	106.30	38,800
Netherlands	Kerkrade	106.30	38,800
Netherlands	Landgraaf	106.30	38,800
Netherlands	Maastricht	106.30	38,800
Netherlands	Papendrecht	108.22	39,500
Netherlands	Rotterdam	108.22	39,500
Netherlands	Schaesburg	106.30	38,800
Netherlands	Schinnen	106.30	38,800
Netherlands	Schiphol	144.93	52,900
Netherlands	Ypenburg	179.45	65,500
Netherlands	All cities other than Amsterdam, Aruba, Brunssum, Coevorden, Eygelshoven, The Hague, Heerlen, Hoensbroek, Hulsberg, Kerkrade, Landgraaf, Maastricht, Margraten, Papendrecht, Rotterdam, Schaesburg, Schinnen, Schiphol, and Ypenburg.	108.22	39,500

Netherlands Antilles	Curacao	125.48	45,800
New Zealand	Auckland	97.81	35,700
New Zealand	Christchurch	87.95	32,100
New Zealand	Wellington	92.60	33,800
Nicaragua	Managua	87.12	31,800
Nigeria	Abuja	98.63	36,000
Norway	Oslo	147.40	53,800
Norway	Stavanger	125.21	45,700
Norway	All cities other than Oslo and Stavanger.	103.29	37,700
Panama	Panama City	97.26	35,500
Peru	Lima	107.12	39,100
Philippines	Cavite	106.85	39,000
Philippines	Manila	106.85	39,000
Poland	Poland	80.55	29,400
Portugal	Alverca	137.81	50,300
Portugal	Lisbon	137.81	50,300
Qatar	Doha	99.35	36,264
Qatar	All cities other than Doha	88.77	32,400
Russia	Moscow	295.89	108,000
Russia	Saint Petersburg	164.38	60,000
Russia	Sakhalin Island	212.33	77,500
Russia	Vladivostok	212.33	77,500
Russia	Yekaterinburg	129.86	47,400

Rwanda	Kigali	86.30	31,500
Saudi Arabia	Jeddah	84.02	30,667
Saudi Arabia	Riyadh	109.59	40,000
Singapore	Singapore	246.03	89,800
South Africa	Pretoria	107.67	39,300
Spain	Barcelona	111.23	40,600
Spain	Madrid	183.56	67,000
Spain	Rota	112.05	40,900
Spain	Valencia	105.48	38,500
Suriname	Paramaribo	90.41	33,000
Switzerland	Bern	193.70	70,700
Switzerland	Geneva	269.32	98,300
Switzerland	Zurich	107.45	39,219
Switzerland	All cities other than Bern, Geneva and Zurich	90.14	32,900
Taiwan	Taipei	126.54	46,188
Tanzania	Dar Es Salaam	120.55	44,000
Thailand	Bangkok	161.64	59,000
Trinidad and Tobago	Port of Spain	149.32	54,500
Turkey	Izmir-Cigli	86.58	31,600
Turkey	Yamanlar	86.58	31,600
Ukraine	Kiev	197.26	72,000
United Arab Emirates	Abu Dhabi	136.13	49,687
United Arab Emirates	Dubai	156.64	57,174

United Kingdom	Basingstoke	112.60	41,099
United Kingdom	Bath	112.33	41,000
United Kingdom	Bracknell	170.14	62,100
United Kingdom	Bristol	106.03	38,700
United Kingdom	Brookwood	120.55	44,000
United Kingdom	Cambridge	117.81	43,000
United Kingdom	Caversham	202.19	73,800
United Kingdom	Cheltenham	146.03	53,300
United Kingdom	Croughton	122.74	44,800
United Kingdom	Fairford	122.74	44,800
United Kingdom	Farnborough	149.86	54,700
United Kingdom	Felixstowe	115.62	42,200
United Kingdom	Gibraltar	122.24	44,616
United Kingdom	Harrogate	129.04	47,100
United Kingdom	High Wycombe	170.14	62,100
United Kingdom	Kemble	122.74	44,800
United Kingdom	Lakenheath	152.05	55,500
United Kingdom	Liverpool	106.30	38,800
United Kingdom	London	241.64	88,200
United Kingdom	Loudwater	173.97	63,500
United Kingdom	Menwith Hill	129.04	47,100
United Kingdom	Mildenhall	152.05	55,500
United Kingdom	Oxfordshire	119.45	43,600

United Kingdom	Plymouth	119.45	43,600
United Kingdom	Portsmouth	119.45	43,600
United Kingdom	Reading	170.14	62,100
United Kingdom	Rochester	124.66	45,500
United Kingdom	Samlesbury	120.55	44,000
United Kingdom	Southampton	121.10	44,200
United Kingdom	Surrey	132.61	48,402
United Kingdom	Waterbeach	124.11	45,300
United Kingdom	Wiltshire	113.97	41,600
United Kingdom	All cities other than Basingstoke, Bath, Belfast, Birmingham, Bracknell, Bristol, Brookwood, Brough, Cambridge, Caversham, Chelmsford, Cheltenham, Chicksands, Croughton, Dunstable, Edinburgh, Edzell, Fairford, Farnborough, Felixstowe, Ft. Halstead, Gibraltar, Glenrothes, Greenham Common, Harrogate, High Wycombe, Hythe, Kemble, Lakenheath, Liverpool, London, Loudwater, Menwith Hill, Mildenhall, Nottingham, Oxfordshire, Plymouth, Portsmouth, Reading, Rochester, Samlesbury, Southampton, Surrey, Waterbeach, Welford, West Byfleet, and Wiltshire.	120.55	44,000
Venezuela	Caracas	156.16	57,000
Vietnam	Hanoi	128.22	46,800

Vietnam	Ho Chi Minh City	115.07	42,000
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SECTION 4. ELECTION TO APPLY 2013 ADJUSTED LIMITATIONS TO 2012

TAXABLE YEAR

For some locations, the limitation on housing expenses provided in section 3 of this notice may be higher than the limitation on housing expenses provided in the "Table of Adjusted Limitations for 2012" in Notice 2012-19. A qualified individual incurring housing expenses in such a location during 2012 may apply the adjusted limitation on housing expenses provided in section 3 of this notice in lieu of the amounts provided in the "Table of Adjusted Limitations for 2012" in Notice 2012-19 (and as set forth in the Instructions to Form 2555 (2012)).

The IRS and the Treasury Department anticipate that future annual notices providing adjustments to housing expense limitations will make a similar election available to qualified individuals that incur housing expenses in the immediately preceding year. For example, when adjusted housing expense limitations for 2014 are issued, it is expected that taxpayers will be permitted to apply those adjusted limitations to the 2013 taxable year.

SECTION 5. EFFECT ON OTHER DOCUMENTS

This notice supersedes Notice 2006-87, 2006-2 C.B. 766; Notice 2007-25, 2007-1 C.B. 760; Notice 2007-77; 2007-2 C.B. 735; Notice 2008-107, 2008-2 C.B. 1266; Notice 2010-27, 2010-1 C.B. 531; Notice 2011-8, 2011-1 C.B. 503; and Notice 2012-19,

2012-1 C.B. 440.

SECTION 6. EFFECTIVE DATE

This notice is effective for taxable years beginning on or after January 1, 2013. However, as provided in section 4, a taxpayer may elect to apply the 2013 adjusted housing limitations contained in section 3 of this notice to his or her taxable year beginning in 2012.

DRAFTING INFORMATION

The principal author of this notice is Susan E. Massey of the Office of Associate Chief Counsel (International). For further information regarding this notice contact Ms. Massey at (202) 622-3840 (not a toll-free call).