

## Part III

### Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.  
(Also Part I, § 911)

Rev. Proc. 2006-51

#### SECTION 1. PURPOSE

This revenue procedure amplifies Rev. Proc. 2005-70, 2005-47 I.R.B. 979, which sets forth inflation adjusted items for 2006.

#### SECTION 2. BACKGROUND

Subject to limitations, section 911 of the Internal Revenue Code allows a qualified individual to elect to exclude from gross income the foreign earned income and housing cost amount of the individual making the election. Under § 911(b)(2)(D)(i), the foreign earned income exclusion amount is \$80,000 for calendar years after 2001. Prior to amendment by § 515(a) of the Tax Increase Prevention and Reconciliation Act of 2005, Pub. L. No. 109-222, 120 Stat. 345, 367 (2006) ("TIPRA"), § 911(b)(2)(D)(ii) provided for the annual exclusion amount to be adjusted for inflation in any taxable year beginning in a calendar year after 2007. Section 515(a) of TIPRA amended

§ 911(b)(2)(D)(ii) to provide for the annual exclusion amount to be adjusted for inflation in any taxable year beginning in a calendar year after 2005.

This revenue procedure adds a new subsection to Rev. Proc. 2005-70 to set forth the inflation adjustment for § 911(b)(2)(D)(i) in accordance with the amendment made by § 515(a) of TIPRA to § 911(b)(2)(D)(ii).

### SECTION 3. AMPLIFICATION OF REV. PROC. 2005-70

Section 3.38 is added to Rev. Proc. 2005-70 to read as follows:

.38 Foreign Earned Income Exclusion. For taxable years beginning in 2006, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is \$82,400.

### SECTION 4. EFFECT ON OTHER DOCUMENTS

This revenue procedure amplifies Rev. Proc. 2005-70 by adding new § 3.38.

### SECTION 5. EFFECTIVE DATE

This revenue procedure applies to taxable years beginning in 2006. See § 4.01 of Rev. Proc. 2005-70.

### SECTION 6. DRAFTING INFORMATION

The principal author of this revenue procedure is Marnette M. Myers of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure contact Marnette M. Myers at (202) 622-4920 (not a toll free call).