UNOFFICIAL US TAX GUIDE

2nd ~ 5th YEAR

KUMAMOTO EDITION

2024

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Getting Started

In this guide we have provided explanations and sample forms to assist **second to fifth year American JETs** with the tax-filing process. For complete details, consult **Publication 54** (*Tax Guide for U.S. Citizens and Resident Aliens Abroad*), which can be accessed by the link provided at the end of this guide or online at the IRS website (www.irs.gov) by searching for **Publication 54**.

You can either **paper file** (physically mail) or **e-file** your taxes. Unless otherwise noted, all forms covered in this guide can be e-filed. If you are interested, please see the **E-Filing** section later in the guide.

If you choose to **paper file**, which IRS address you mail your forms to depends on if you are paying or not:

- If you are not making a payment, send all tax forms to the following address:
  Department of the Treasury
  Internal Revenue Service Center
  Austin, TX 73301-0215
  USA
- If you do have to make any payments, send them and your tax forms to the following address:
  Internal Revenue Service
  P.O. Box 1303
  Charlotte, NC 28201-1303
  USA

The IRS website (www.irs.gov) lists a lot of information to help citizens living abroad with the tax-filing process. Go to "File" in the upper left corner and then "International Taxpayers" on the left sidebar. You can find most of the general questions about tax law answered there and at the following address: https://www.irs.gov/individuals/international-taxpayers/us-citizens-and-resident-aliens-abroad

You can also contact the Philadelphia International Taxpayer Service Call Center by phone (+1-267-941-1000, not toll-free) or fax (+1 681-247-3101). They are operational M-F from 6:00am to 11:00pm Eastern Time. You can also mail questions to the IRS at the following address: Internal Revenue Service, Philadelphia, PA 19255-0725

Depending on which state you lived in before moving to Japan, there may be extra steps to take for your individual state taxes. State taxes will not be covered in this guide, as ESID (every state is different). We recommend you check with your state tax agency - make sure to do so as soon as possible, *before* April 15. Generally speaking, you should confirm the following information:

- Residency rules (if you are treated as a resident / non-resident, etc.)
- If your state accepts the federal Foreign Earned Income Exclusion
- If you are filing **Form 4868**, whether you are required to file a separate state extension form

Tax Documents

IRS Tax Forms You Will Need to File

IRS Form Number	Form Name	Filing Deadline
Informational Forms – File separately from Form 1040		
☐ **FinCEN 114**△ *ONLY if you had over $10,000 USD worth of currency in your foreign bank account(s) at any point in the year*	Report of Foreign Bank and Financial Accounts (**FBAR**)	By April 15
Income Tax Return – File the below forms all together		
☐ **Form 1040**	U.S. Individual Income Tax Return	**With** payments: by April 15 **Without** payments: by June 16
☐ **Form 1040 – Schedule 1**	Additional Income and Adjustments to Income	File with **Form 1040**
☐ **Form 1040 – Schedule B**	Interests and Ordinary Dividends	File with **Form 1040**
☐ **Form 2555**	Foreign Earned Income	File with **Form 1040**

Your individual tax situation may require you to file more forms than those listed above; this is merely a list of those relevant to filing with foreign income. We have listed some potential additional situations under "Notes & Resources," but please do your own research as needed.

Support for Form 1040

You get these from someone else to reference for preparing **Form 1040** and send a copy to the IRS as proof. If you e-file, just keep them for your records in case the IRS asks for a copy in the future.

	Foreign Earned Income Statement (*gensen choushuu hyou*)	Send with **Form 1040**

- If your address in Japan has changed since you filed last year, you should file another **Form 8822** as well (see tax guide for first-year JETs) and send it to the appropriate IRS location.
- It is unnecessary to request an extension to file, but you can if you so choose by filing **Form 4868** (see tax guide for first-year JETs). Doing so gives you until October 15 to send in your tax forms, but *not* any payments.

E-Filing

Don't want to deal with the post office? Neither does the IRS. E-filing is often more convenient, leaves less room for error, and gets your return processed faster.

Your **Form 1040** tax return now requires a bit more legwork to find sites that will let you file the additional forms you need to include while working abroad. For example, e-filing **Form 2555** for your foreign earned income exclusion is often not supported on "free" versions of well-known tax filing sites like *T*rboT*x* and *HR Bl*ck*. If you wish to use these sites, you may be charged $50 or more just to file **Form 2555**.

The IRS itself provides two services to try to help Americans e-file for free: https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free

The Free File Program provides free e-filing on a **guided tax filing site** like those mentioned earlier, so long as you meet their age and income requirements. Input your details in their Online Lookup Tool with your home address as Japan, and you will be given a list of sites that support your situation. The results should indicate that "Same criteria apply when filing with a foreign address." **You must create your account via the IRS official Free File site as instructed in the link, or you may end up getting charged.** The page should specifically indicate "IRS Free File Program" somewhere.

NOTE: These services often also support state filing but are not obligated to offer it for free. If/which states are free will be stated on the site and can be checked before making an account.

Alternatively, you can try out the Free File Fillable Forms (FFFF) service available to all U.S. filers regardless of age/income/etc., which is guaranteed to be free to file all included forms. These forms are filled out **the same as you would a paper form**, as explained in this guide, just submitted electronically. There are basic calculations pre-set in the forms (you must manually press the "Do the math" button located at the bottom of the screen), but there are no guided steps like on the sites mentioned earlier. See the IRS guide for line by-line instructions, as well as known restrictions for foreign filers using this service.

NOTE: This service requires a working US phone number to receive text verification.

This service does not support state taxes. If you use FFFF for your federal taxes, you may need to paper file for any state taxes, as most e-file sites will not let you e-file for only *state.*

As of the publication of this guide, all forms we have listed as attachments to **Form 1040**, including **Form 2555**, appear to be supported for free if you qualify for these sites. This guide cannot attest to their continued support or support for any other aspect of your individual tax situation. Please review the guidelines on the IRS Free File site and list of supported forms on the site you choose, as they may be subject to change.

If you wish to extend your filing deadline, **Form 4868** can also be e-filed using these sites, regardless of

how you choose to file your **Form 1040** later. You still must pay any taxes owed by April 15.

These resources were not designed with expats in mind so the experience may not be the smoothest, but we hope that you may be able to successfully use them to e-file for free. We cannot guarantee what will work for you, and **we cannot field questions regarding e-filing.**

If you were able to use any of these sites to complete your return, great! **Before you officially submit your forms,** review the tax return generated and make sure **all the forms** mentioned in this guide are included with the **appropriate lines populated**. Remember to **print/save a copy** of your return when finished – you will need it to e-file again next year. If you owe money to the IRS, follow the instructions for how to pay on the e-filing site you used, and be sure to do so by April 15.

Now, let's get into the fun part!

Foreign Earned Income Statement

The Japanese equivalent of the W-2 is called the 源泉徴収票 (*gensen choushuu hyou*) in Japanese, or your statement of earnings. This will act as a W-2 equivalent for the income you earned in Japan. Photocopy the form that your school or BOE gave you showing how much money you made in 2024. If you have not received it yet, ask the accountant in your school or BOE office. Indicate your name and your gross income on the photocopy and write "Foreign Earned Income Statement" across the top of the copy. You will file this copy with **Form 1040** (if e-filing, keep for your records).

*NOTE: You will use the amount in ③ 支払金額 later in **Form 2555**, and you will need to include another annotation at the bottom of the copy, so have this copy readily available.*

See the following page for an example with Japanese to English translations (taken from the JET Programme GIH):

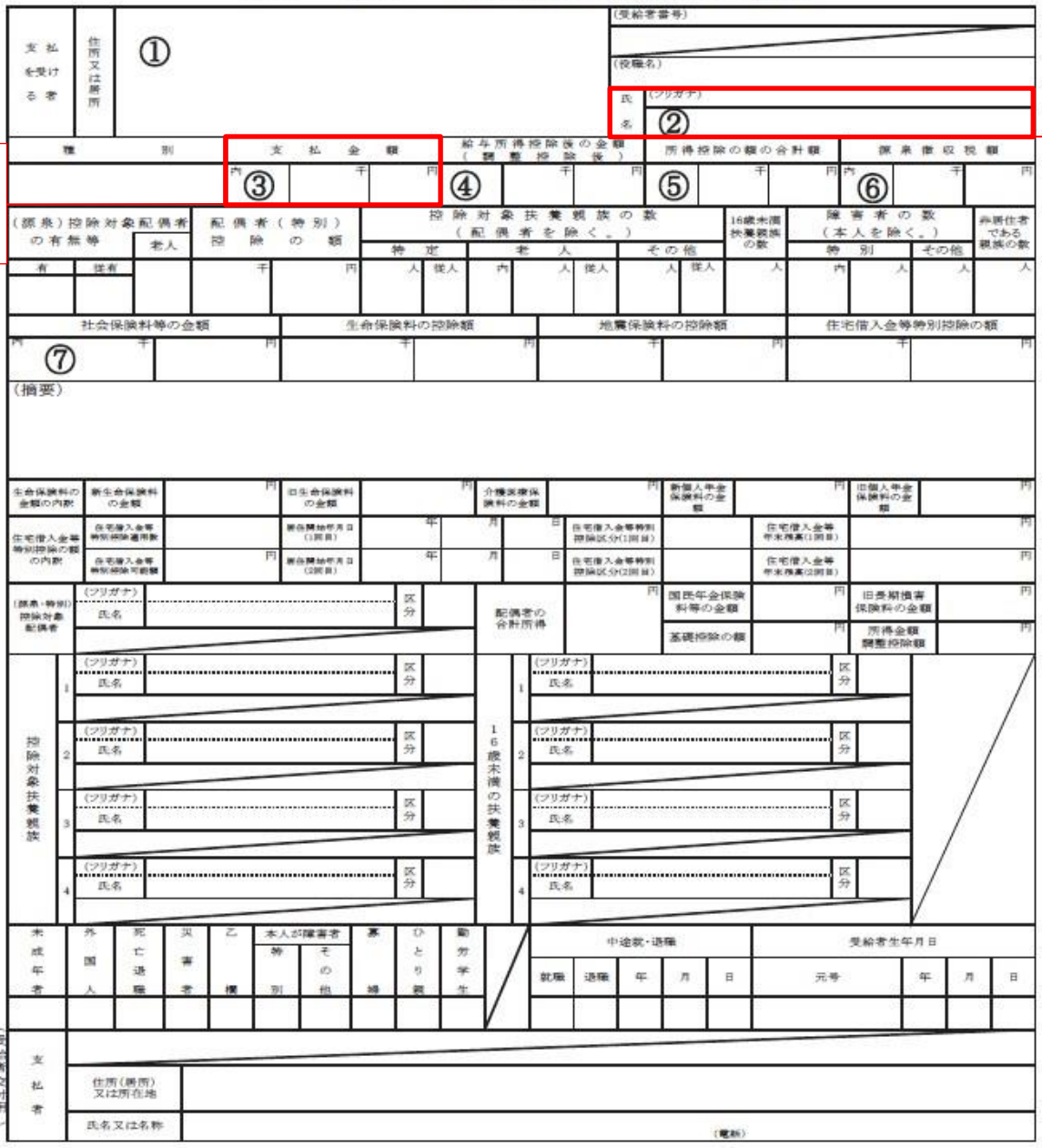
NOTE: Your Statement of Earnings should have "令和6年分" at the top.

STATEMENT OF EARNINGS
源泉徴収票

Foreign Earned Income Statement

Sample Statement of Earnings 源泉徴収票見本

令和　年分　給与所得の源泉徴収票



① Address of employee 住所
② Name of employee 名前
③ Gross earnings 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 from ③ after deductions on income
③から給与所得控除額を引いた額
⑤ Fixed deduction based on Social Insurance and other premiums paid
社会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 premiums 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

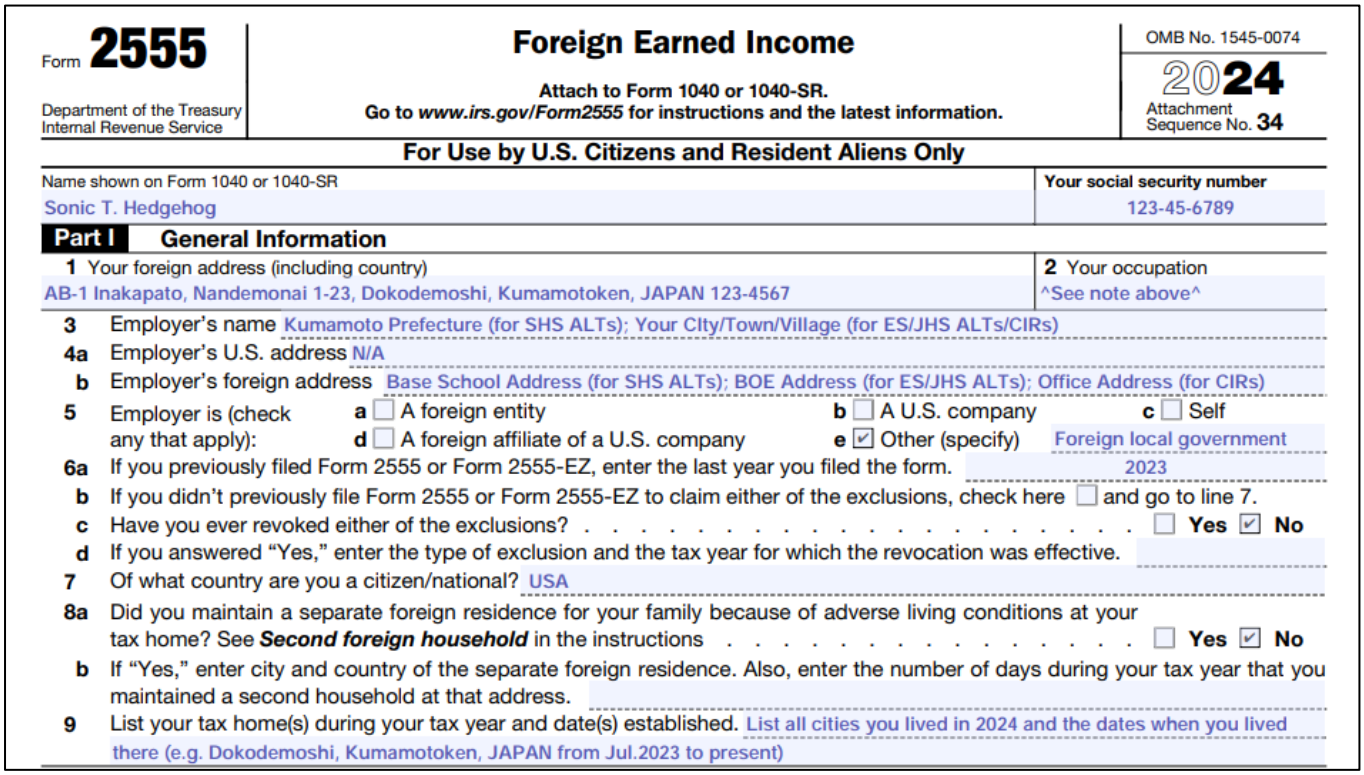
Form 2555 – Foreign Earned Income

Form 2555 is used to exempt you from paying U.S. income taxes on the money you earned in Japan.

*NOTE: The Foreign Earned Income Exclusion (FEIE) filed with **Form 2555** as outlined in this guide should be suitable for most JETs, but there are limitations on certain credits and deductions you can claim when using it. You also cannot contribute to an IRA if you choose to use the FEIE and have zero U.S. earned income for the year. You can see the FAQ regarding alternatives to the FEIE (not covered in this guide).*

Part I – First, enter your name and social security number. Fill in your address and employment information; enter "N/A" 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, enter your city in Japan and the date (month and year) you began living there. If you moved during 2024, make sure to list your former city as well. Make sure the whole year is covered. Month to month is enough – you do not need to specify the exact day you moved.

(For **2** Your occupation, enter either "Assistant Language Teacher" or "Coordinator for International Relations".)



Form **2555**
Department of the Treasury
Internal Revenue Service

Foreign Earned Income

Attach to Form 1040 or 1040-SR.
Go to *www.irs.gov/Form2555* for instructions and the latest information.

OMB No. 1545-0074
2024
Attachment Sequence No. **34**

For Use by U.S. Citizens and Resident Aliens Only

Name shown on Form 1040 or 1040-SR	Your social security number
Sonic T. Hedgehog	123-45-6789

Part I General Information

1	Your foreign address (including country)	2 Your occupation
	AB-1 Inakapato, Nandemonai 1-23, Dokodemoshi, Kumamotoken, JAPAN 123-4567	^See note above^
3	Employer's name: Kumamoto Prefecture (for SHS ALTs); Your City/Town/Village (for ES/JHS ALTs/CIRs)	
4a	Employer's U.S. address: N/A	
b	Employer's foreign address: Base School Address (for SHS ALTs); BOE Address (for ES/JHS ALTs); Office Address (for CIRs)	
5	Employer is (check any that apply): ☐ a A foreign entity ☐ b A U.S. company ☐ c Self ☐ d A foreign affiliate of a U.S. company ☑ e Other (specify): Foreign local government	
6a	If you previously filed Form 2555 or Form 2555-EZ, enter the last year you filed the form: 2023	
b	If you didn't previously file Form 2555 or Form 2555-EZ to claim either of the exclusions, check here ☐ and go to line 7.	
c	Have you ever revoked either of the exclusions? ☐ Yes ☑ No	
d	If you answered "Yes," enter the type of exclusion and the tax year for which the revocation was effective.	
7	Of what country are you a citizen/national? USA	
8a	Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? See ***Second foreign household*** in the instructions ☐ Yes ☑ No	
b	If "Yes," enter city and country of the separate foreign residence. Also, enter the number of days during your tax year that you maintained a second household at that address.	
9	List your tax home(s) during your tax year and date(s) established. List all cities you lived in 2024 and the dates when you lived there (e.g. Dokodemoshi, Kumamotoken, JAPAN from Jul.2023 to present)	

Since you will not be using the Bona Fide Residence Test, skip Part II by entering "N/A" in **Lines 10**.

Part III* – To meet the requirements of the Physical Presence Test, you must be present in a foreign country for at least 330 full days during any 12-month period that begins or ends in 2024. You must pass this test to allow your foreign earned income to be excludable on **Form 1040**.

The dates you enter on **Line 16** will depend on whether you returned to the U.S. in 2024. In the following image, you can see what your Part III should look like if you did not return to the U.S. at all during 2024.

Form 2555 (2024) Page **2**

Part III **Taxpayers Qualifying Under Physical Presence Test**

Note: U.S. citizens and all resident aliens can use this test. See instructions.

16 The physical presence test is based on the 12-month period from January 1, 2024 through December 31, 2024

17 Enter your principal country of employment during your tax year. JAPAN

18 If you traveled abroad during the 12-month period entered on line 16, complete columns **(a)–(f)** below. Exclude travel between foreign countries that didn't involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Don't** include the income from column **(f)** below in Part IV, but report it on Form 1040 or 1040-SR.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. on business	(f) Income earned in U.S. on business (attach computation)
Physically present in a foreign country or countries					
for the entire 12-month period.					

NOTE: If you returned to the U.S. in 2024, please check the annotations at the end of this section.

Part IV – Calculate your 2024 Foreign Earned Income by converting the amount ③ 支払金額 listed on your **Foreign Earned Income Statement** to USD using the yearly average Yen/USD exchange rate and enter that figure on **Line 19**. The Internal Revenue Service has no official exchange rate and will accept "any posted exchange rate that is used consistently." You can see the Notes & Resources section for a list of sources. Previous guides have used the Federal Reserve Bank's rates, but this guide will use the Internal Revenue Service's rate of **$1 = ¥151.353.**

For example:

¥3,500,000 ÷ ¥151.353 = $23,124.75

2024 Foreign Earned Income			Amount (in U.S. dollars)
19	Total wages, salaries, bonuses, commissions, etc.	**19**	23,125
20	Allowable share of income for personal services performed (see instructions):		
a	In a business (including farming) or profession	**20a**	0
b	In a partnership. List partnership's name and address and type of income.	**20b**	0
21	Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):		
a	Home (lodging)	**21a**	0
b	Meals	**21b**	0
c	Car	**21c**	0
d	Other property or facilities. List type and amount.	**21d**	0

If you are paper filing your tax return, you can draw an asterisk and write, "See foreign earned income statement" at the bottom of page 2. Then, write a statement along the lines of "I used the 2024 average Yen/USD exchange rate as reported by [whatever source you used, e.g. the Internal Revenue Service] to calculate the amount reported on **Line 19**. That rate was $1 = ¥151.353." on the foreign earned income statement at the bottom of the page. Sign your name to the note.

22	Allowances, reimbursements, or expenses paid on your behalf for services you performed:				
a	Cost of living and overseas differential	22a	0		
b	Family	22b	0		
c	Education	22c	0		
d	Home leave	22d	0		
e	Quarters	22e	0		
f	For any other purpose. List type and amount.	22f	0		
g	Add lines 22a through 22f			22g	0
23	Other foreign earned income. List type and amount.			23	0
24	Add lines 19 through 21d, line 22g, and line 23			24	23,125
25	Total amount of meals and lodging included on line 24 that is excludable (see instructions)			25	0
26	Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your **2024 foreign earned income**			26	23,125

Form **2555** (2024)

*NOTE: These are made-up numbers! Yours will be different. Check **Instructions for Form 2555** for more info.*

Part V – Since JET salaries are substantially below the maximum foreign earned income exclusion ($126,500), there is no need to claim the housing exclusion or housing deduction. Check "**No.**" and go to Part VII.

Form 2555 (2024) Page **3**

Part V All Taxpayers

27	Enter the amount from line 26	27	23,125

Are you claiming the housing exclusion or housing deduction?

- ☐ **Yes.** Complete Part VI.
- ☑ **No.** Go to Part VII.

NOTE: These are made-up numbers! Yours will be different.

Part VII – Calculate your Foreign Earned Income Exclusion. Use the 12-month period from **Part III Line 16** to calculate the number of days in your qualifying period that fall within calendar year 2024 and enter the number on **Line 38**. Count full days (24-hour period) spent in a foreign country/foreign countries.

Part VII Taxpayers Claiming the Foreign Earned Income Exclusion

37	Maximum foreign earned income exclusion. Enter $126,500	37		126,500
38	• If you completed Part VI, enter the number from line 31. • All others, enter the number of days in your qualifying period that fall within your 2024 tax year. See the instructions for line 31.	38	365 days	
39	• If line 38 and the number of days in your 2024 tax year (usually 366) are the same, enter "1.000." • Otherwise, divide line 38 by the number of days in your 2024 tax year and enter the result as a decimal (rounded to at least three places).	39	1 . 0	
40	Multiply line 37 by line 39	40		126,000
41	Subtract line 36 from line 27	41		23,125
42	**Foreign earned income exclusion.** Enter the **smaller** of line 40 or line 41. Also, complete Part VIII	42		23,125

NOTE: These are made-up numbers! Yours will be different.

Part VIII – Enter the total you calculated for **Line 42** on **Line 43**. For **Line 44**, read the **Instructions for Form 2555 (page 6)** and **Publication 54 (page 22)** to determine if you have any deductions that are allocable to the excluded income. For many JETs, this will be "0."

Part VIII	**Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both**		
43	Add lines 36 and 42	43	23,125
44	Deductions allowed in figuring your adjusted gross income (Form 1040 or 1040-SR, line 11) that are allocable to the excluded income. See instructions and attach computation	44	0
45	Subtract line 44 from line 43. Enter the result here and on Schedule 1 (Form 1040), line 8d. Complete the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040 if you enter an amount on this line	45	23,125

NOTE: These are made-up numbers! Yours will be different.

Since you will not be claiming the housing exclusion or housing deduction, skip Part IX.

Congratulations! You have completed filling out **Form 2555**! Save it and keep it open for future reference for **Form 1040**. You will file **Form 2555** with **Form 1040**.

*ANNOTATION: The previous examples, namely **Part III** and **Part VII**, were filled out to show what a JET who did not return to the U.S. during 2024 would look like. If you returned to the U.S. any time during 2024, you must state those dates on **Part III, Line 18.** See the example below.*

Form 2555 (2024) Page **2**

Part III **Taxpayers Qualifying Under Physical Presence Test**

Note: U.S. citizens and all resident aliens can use this test. See instructions.

16 The physical presence test is based on the 12-month period from January 1, 2024 through December 31, 2024

17 Enter your principal country of employment during your tax year. JAPAN

18 If you traveled abroad during the 12-month period entered on line 16, complete columns **(a)**–**(f)** below. Exclude travel between foreign countries that didn't involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Don't** include the income from column **(f)** below in Part IV, but report it on Form 1040 or 1040-SR.

(a) Name of country (including U.S.)	**(b)** Date arrived	**(c)** Date left	**(d)** Full days present in country	**(e)** Number of days in U.S. on business	**(f)** Income earned in U.S. on business (attach computation)
U.S.	Dec. 21, 2024	Jan. 5, 2025	15	0	0

NOTE: These are made-up dates! Yours will be different.

- *If you were in the U.S. for less than 36 days total in 2024, your dates for **Part III, Line 16** will still be January 1, 2024 through December 31, 2024. **Part VII, Line 38** will still be "366."*

- *If you were in the U.S. for more than 36 days total in 2024, you must also adjust the 12-month period on **Part III, Line 16** accordingly to ensure the period includes 330 days outside of the U.S. (See our FAQ for an example.) This adjustment will change the number of days you report for **Part VII, Line 38** and the related calculations. See the guide for first-year JETs for an example of how **Part VII** is reported when **Part III, Line 16** is not January 1 through December 31.*

Form 1040 – U.S. Individual Income Tax Return

Form 1040 is used to report how much total money you earned in 2024. You will figure out if you get a refund, or if you owe even more money to Uncle Sam. When in doubt, consult a certified tax preparer and/or the official IRS instructions (online) to be sure you do not miss anything. You can also call the IRS.

Depending on your situation, you may need to submit additional tax forms with **Form 1040**. What is explained in this guide focuses on the specific parts related to living and working overseas, which requires **Schedule B** and **Schedule 1**. Be sure to take a look at the **Instructions for Form 1040**, then start at the top and work your way through, line by line, completing and attaching any relevant **Schedules** as necessary. Some more common schedules are **Schedule C** for self-employment income, and **Schedule D** for capital gains/losses (e.g. sales of stocks/crypto). See this IRS list for more **Schedules** not covered here that you may potentially need to file.

Schedule B – Interests and Ordinary Dividends

Schedule B is used to report any interest/dividends you may have received for the year, in which case you would have received a **1099-INT**, **1099-OID**, **1099-DIV**, or a substitute statement. If you received taxable interest of $10 or more, your bank or financial institution will send you a **1099-INT or 1099-OID** that states the amount of taxable interest you will need to report to the IRS in **Part I**. Likewise, if you received taxable dividends, you will have received a **Form 1099-DIV** to report in **Part II**. Enter any interest or dividends you have received, otherwise enter "0"s for **Schedule B Lines 1-6**.

*NOTE: Even if you did not receive a **1099-INT**, you are still required to report any interest earned and credited to your account during the tax year.*

Part III Foreign Accounts and Trusts

You must complete this part if you (**a**) had over $1,500 of taxable interest or ordinary dividends; (**b**) had a foreign account; or (**c**) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Caution: If required, failure to file FinCEN Form 114 may result in substantial penalties. Additionally, you may be required to file Form 8938, Statement of Specified Foreign Financial Assets. See instructions.

		Yes	No
7a	At any time during 2024, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions	✔	
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements		✔
b	If you are required to file FinCEN Form 114, list the name(s) of the foreign country(-ies) where the financial account(s) is (are) located:		
8	During 2024, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions		✔

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 17146N Schedule B (Form 1040) 2024

The main purpose of including this form in the tax guide is **Part III Foreign Accounts and Trusts**. As a JET participant, you must have a bank account in Japan to receive your salary. Your Japanese bank account is a foreign account, so you will answer "yes" to **Part III 7a**. To finish **Part III**, check yes, no, no as shown.

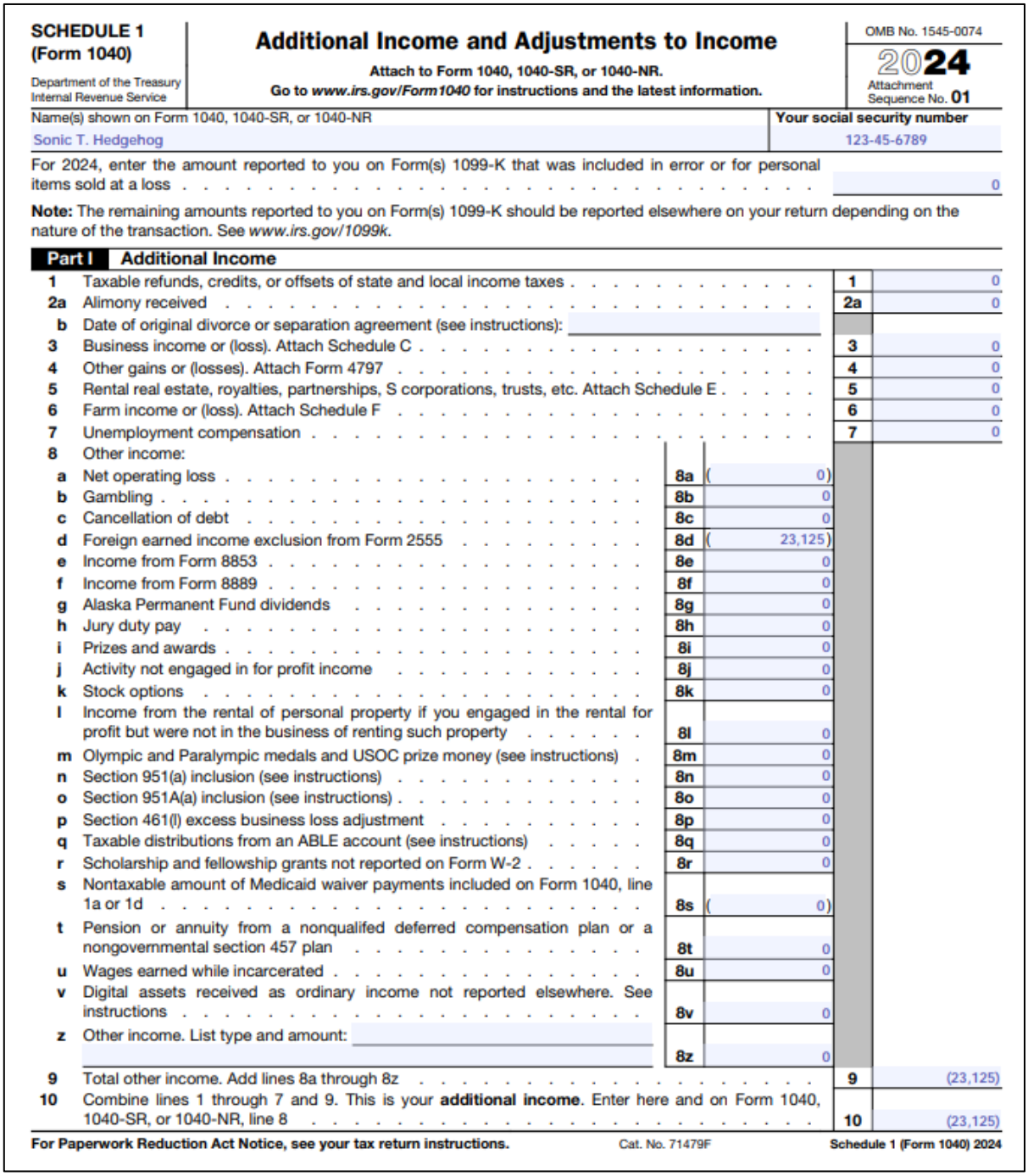
*NOTE for **Part III 7b**: **If your foreign bank account(s) exceeded $10,000 at any time during 2024,** you are required to file **FinCEN 114** (the **FBAR**), which will change your answer. See the **FBAR** page later in this guide for more specific guidance on filing **FinCEN 114**.*

Save **Schedule B** and file it together with **Form 1040**.

Schedule 1 – Additional Income and Adjustments to Income

Schedule 1 is used to report your foreign earned income exclusion that you calculated in **Form 2555** and any other additional income you may have received during the 2024 tax year. Whereas most of the items listed in **Schedule 1 Part I** add to your total income, your foreign earned income will be deducted from your total income.

For **Schedule 1 Line 8d**, enter your 2024 foreign earned income total from **Form 2555 Line 26**. The reason for **Schedule 1 Line 8d** being in parentheses is to indicate to the IRS that this value is going to be deducted in **Form 1040**. As for the other lines in **Schedule 1 Part I**, enter any values applicable to you.



SCHEDULE 1 (Form 1040)
Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income
Attach to Form 1040, 1040-SR, or 1040-NR.
Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2024
Attachment Sequence No. 01

Name(s) shown on Form 1040, 1040-SR, or 1040-NR: Sonic T. Hedgehog
Your social security number: 123-45-6789

For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss . . . 0

Note: The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See *www.irs.gov/1099k*.

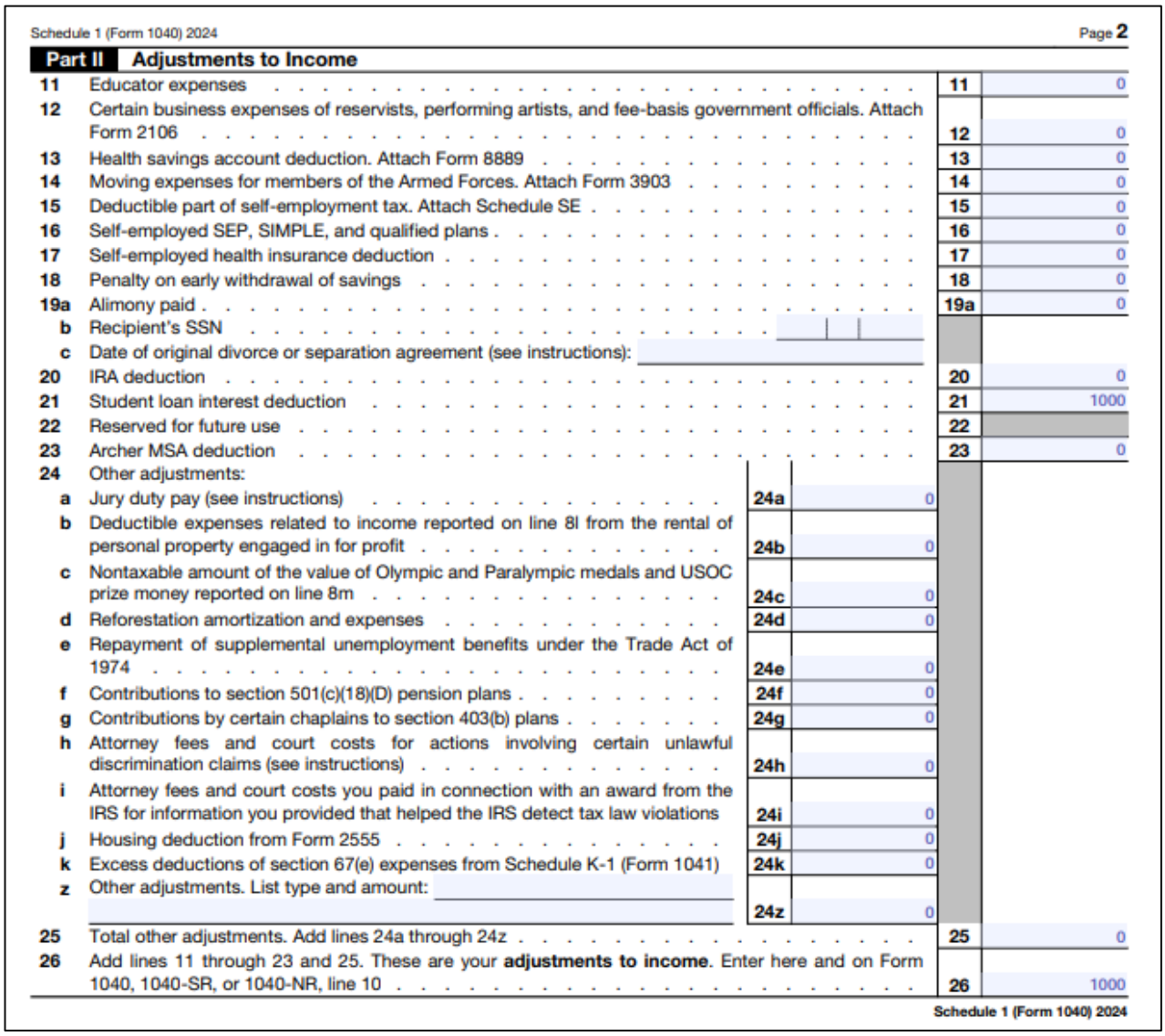
Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes		1	0
2a	Alimony received		2a	0
b	Date of original divorce or separation agreement (see instructions):			
3	Business income or (loss). Attach Schedule C		3	0
4	Other gains or (losses). Attach Form 4797		4	0
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		5	0
6	Farm income or (loss). Attach Schedule F		6	0
7	Unemployment compensation		7	0
8	Other income:			
a	Net operating loss	8a (0)		
b	Gambling	8b 0		
c	Cancellation of debt	8c 0		
d	Foreign earned income exclusion from Form 2555	8d (23,125)		
e	Income from Form 8853	8e 0		
f	Income from Form 8889	8f 0		
g	Alaska Permanent Fund dividends	8g 0		
h	Jury duty pay	8h 0		
i	Prizes and awards	8i 0		
j	Activity not engaged in for profit income	8j 0		
k	Stock options	8k 0		
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l 0		
m	Olympic and Paralympic medals and USOC prize money (see instructions)	8m 0		
n	Section 951(a) inclusion (see instructions)	8n 0		
o	Section 951A(a) inclusion (see instructions)	8o 0		
p	Section 461(l) excess business loss adjustment	8p 0		
q	Taxable distributions from an ABLE account (see instructions)	8q 0		
r	Scholarship and fellowship grants not reported on Form W-2	8r 0		
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s (0)		
t	Pension or annuity from a nonqualifed deferred compensation plan or a nongovernmental section 457 plan	8t 0		
u	Wages earned while incarcerated	8u 0		
v	Digital assets received as ordinary income not reported elsewhere. See instructions	8v 0		
z	Other income. List type and amount:	8z 0		
9	Total other income. Add lines 8a through 8z		9	(23,125)
10	Combine lines 1 through 7 and 9. This is your **additional income**. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8		10	(23,125)

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F **Schedule 1 (Form 1040) 2024**

If you paid student loan interest, continue with **Schedule 1.** Unless you earned more than $95,000, you can just directly enter the amount of student loan interest you paid (up to $2,500) into **Line 21**. Otherwise, calculate your eligible student loan interest deduction from the worksheet in **page 36** of **Publication 970**. Finish following the instructions for the rest of **Schedule 1**. Everything else will be "0"s for many JETs.

NOTE: You cannot claim this deduction if you were claimed as a dependent on your parents' taxes this year.



Schedule 1 (Form 1040) 2024 Page 2

Part II Adjustments to Income

11	Educator expenses			11	0
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106			12	0
13	Health savings account deduction. Attach Form 8889			13	0
14	Moving expenses for members of the Armed Forces. Attach Form 3903			14	0
15	Deductible part of self-employment tax. Attach Schedule SE			15	0
16	Self-employed SEP, SIMPLE, and qualified plans			16	0
17	Self-employed health insurance deduction			17	0
18	Penalty on early withdrawal of savings			18	0
19a	Alimony paid			19a	0
b	Recipient's SSN				
c	Date of original divorce or separation agreement (see instructions):				
20	IRA deduction			20	0
21	Student loan interest deduction			21	1000
22	Reserved for future use			22	
23	Archer MSA deduction			23	0
24	Other adjustments:				
a	Jury duty pay (see instructions)	24a	0		
b	Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	24b	0		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	24c	0		
d	Reforestation amortization and expenses	24d	0		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e	0		
f	Contributions to section 501(c)(18)(D) pension plans	24f	0		
g	Contributions by certain chaplains to section 403(b) plans	24g	0		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h	0		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i	0		
j	Housing deduction from Form 2555	24j	0		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k	0		
z	Other adjustments. List type and amount:	24z	0		
25	Total other adjustments. Add lines 24a through 24z			25	0
26	Add lines 11 through 23 and 25. These are your **adjustments to income**. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10			26	1000

Schedule 1 (Form 1040) 2024

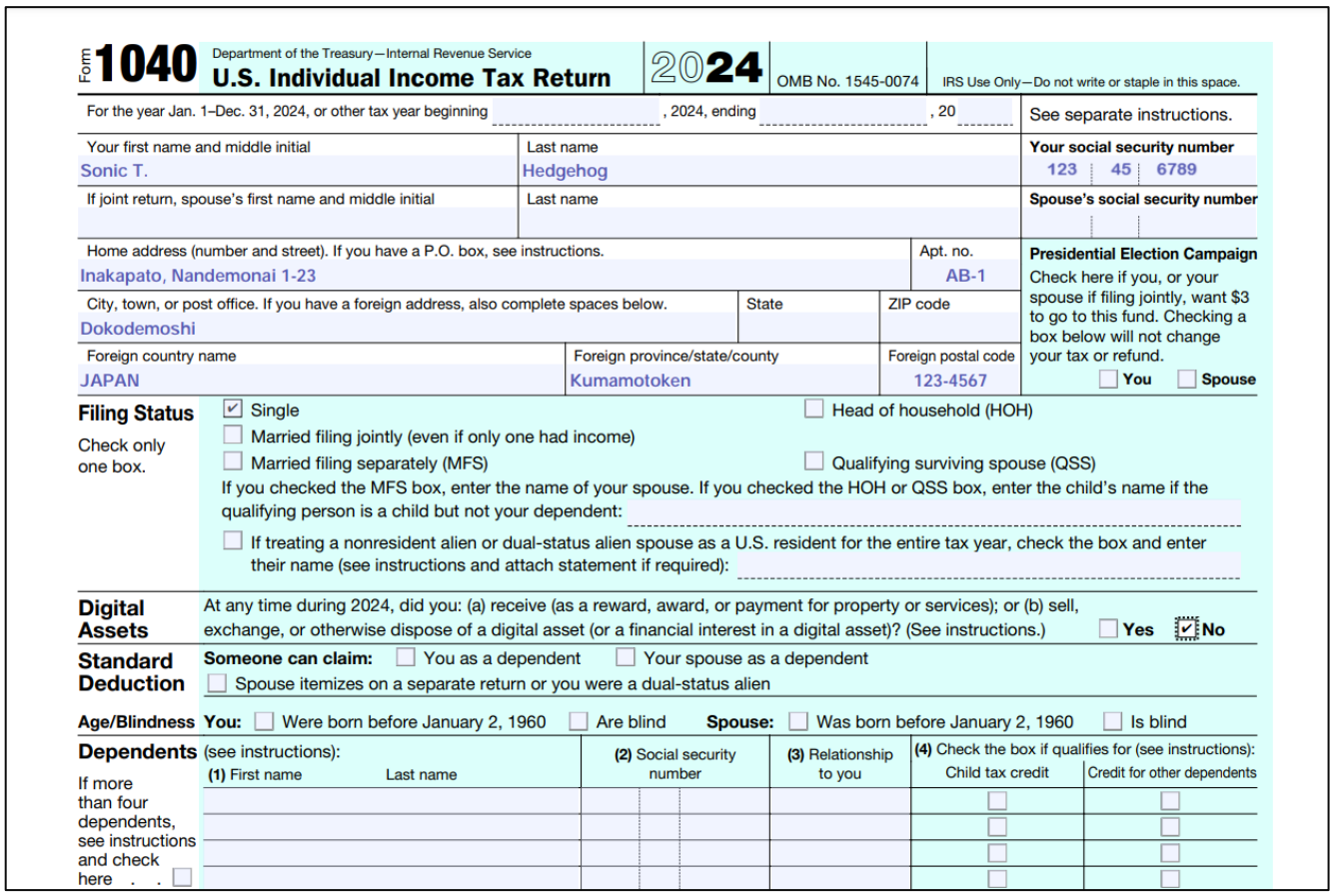
NOTE: These are made up numbers! Yours will be different.

Many student loan institutions report how much student loan interest you have paid by sending you (either by mail or electronically) **Form 1098-E**. If you make payments online, check there first to see if the student loan interest has already been calculated for you through an electronic file of **Form 1098-E**.

Save **Schedule 1** and keep it open to reference for **Form 1040**.

Form 1040 – U.S. Individual Income Tax Return

Finally, we can start on **Form 1040** without interruptions. Enter your name and social security number and check the box for your filing status. For the purposes of this basic guide, our example is filing single with no dependents, but this will vary according to your personal situation (e.g. if you have a spouse and/or children.) Then, fill out your Japanese address information. If you dealt with digital assets (e.g. cryptocurrency, NFTs) in the 2024 tax year or wish to contribute to the Presidential Election Campaign, then check the appropriate boxes.



Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** 2024 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____ See separate instructions.

Your first name and middle initial	Last name	Your social security number
Sonic T.	Hedgehog	123 45 6789
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.: Inakapato, Nandemonai 1-23 / AB-1

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code: Dokodemoshi

Foreign country name: JAPAN Foreign province/state/county: Kumamotoken Foreign postal code: 123-4567

Presidential Election Campaign 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. ☐ You ☐ Spouse

Filing Status Check only one box.
- ☑ Single
- ☐ Married filing jointly (even if only one had income)
- ☐ Married filing separately (MFS)
- ☐ Head of household (HOH)
- ☐ Qualifying surviving spouse (QSS)

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☑ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1960 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1960 ☐ Is blind

Dependents (see instructions): If more than four dependents, see instructions and check here . . ☐

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
			☐	☐
			☐	☐
			☐	☐
			☐	☐

*NOTE: Some recent college graduates are claimed as dependents by their parents. If you have confirmed that this is your case, check the box labeled "Someone can claim you as a dependent" on the standard deduction section. This is important, as it will change the deduction you claim later on **Line 12a**, and can mess up your parents' taxes if you miss it.*

On **Form 1040 Line 1a**, enter any 2024 U.S. W-2 income. On **Line 1h**, enter your income from Japan (**Form 2555 Line 26**). Most reappointed JETs will only have the **Line 1h** amount to report. Add together **Lines 1a-1i** and enter the total into **Line 1z**.

If you had any interest or dividends to report from **Schedule B**, then enter them into the respective **Form 1040 Line 2a-b** and **Form 1040 Line 3a-b**. For many people, everything else is zeroes until you get to **Line 8**. For this, you will need to go to **Schedule 1**.

Enter the number you got from **Schedule 1 Line 10** on **Form 1040 Line 8**. Make sure to put parentheses around the number again so that the IRS understands that you are subtracting this number. Then, add together **Form 1040 Lines 1z-8**. Enter this new number on **Line 9**. This total is your *Total Income* for 2024.

Next, if you continued to **Part II Line 26** on **Schedule 1**, enter the number from that line into **Form 1040 Line 10** and subtract **Form 1040 Line 10** from **Form 1040 Line 9**. Enter the result into **Form 1040 Line 11.** (If negative, use parentheses.) This is your *Adjusted Gross Income* (AGI) for 2024.

Afterwards, enter either your standard deduction or itemized deduction on **Form 1040 Line 12** (most people will claim the standard deduction: $14,600 for 2024). If you checked that someone can claim you as a dependent in the Standard Deduction section, check the instructions for this year's limit.

Line 13 deals mostly with self-employment deductions, which for many JETs will be "0." Add **Lines 12 and 13** and enter the result on **Line 14**. Finally, subtract **Line 14** from **Line 11** and then enter the result into **Line 15** (If negative, enter "0".) This is your *Taxable Income* for 2024.

At this point, your **Form 1040** should look something like this:

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

Standard Deduction for—
- Single or Married filing separately, $14,600
- Married filing jointly or Qualifying surviving spouse, $29,200
- Head of household, $21,900
- If you checked any box under *Standard Deduction*, see instructions.

1a	Total amount from Form(s) W-2, box 1 (see instructions)					1a	0
b	Household employee wages not reported on Form(s) W-2					1b	0
c	Tip income not reported on line 1a (see instructions)					1c	0
d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)					1d	0
e	Taxable dependent care benefits from Form 2441, line 26					1e	0
f	Employer-provided adoption benefits from Form 8839, line 29					1f	0
g	Wages from Form 8919, line 6					1g	0
h	Other earned income (see instructions)					1h	23,125
i	Nontaxable combat pay election (see instructions)	1i	0				
z	Add lines 1a through 1h					1z	23,125
2a	Tax-exempt interest	2a	0	b	Taxable interest	2b	0
3a	Qualified dividends	3a	0	b	Ordinary dividends	3b	0
4a	IRA distributions	4a	0	b	Taxable amount	4b	0
5a	Pensions and annuities	5a	0	b	Taxable amount	5b	0
6a	Social security benefits	6a	0	b	Taxable amount	6b	0
c	If you elect to use the lump-sum election method, check here (see instructions)						
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here					7	0
8	Additional income from Schedule 1, line 10					8	(23,125)
9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**					9	0
10	Adjustments to income from Schedule 1, line 26					10	1000
11	Subtract line 10 from line 9. This is your **adjusted gross income**					11	(1000)
12	**Standard deduction or itemized deductions** (from Schedule A)					12	14,600
13	Qualified business income deduction from Form 8995 or Form 8995-A					13	0
14	Add lines 12 and 13					14	14,600
15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**					15	0

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2024)

NOTE: These are made up numbers! Yours will be different.

By the time you get here, you will have dealt with most of the foreign income related stuff and weeded it out. Everything from here should be straightforward (tedious, but straightforward).

If **Line 15** is zero, **Line 16** will also be zero. That was easy!

Form 1040 (2024) Page **2**

Tax and Credits

16	**Tax** (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐	16	0
17	Amount from Schedule 2, line 3	17	0
18	Add lines 16 and 17	18	0
19	Child tax credit or credit for other dependents from Schedule 8812	19	0
20	Amount from Schedule 3, line 8	20	0
21	Add lines 19 and 20	21	0
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	0
24	Add lines 22 and 23. This is your **total tax**	24	0

But if **Line 15** is not zero, you have a little more math to do. Calculate your *Tax* for **Line 16** using the **Foreign Earned Income Tax Worksheet** as shown below (from **page 35** of the **Instructions for Form 1040**). For worksheet **Lines 4 and 5**, you will have to consult the **2024 Tax Table** (**page 64** of the **Instructions for Form 1040**). Make sure to enter the number from worksheet **Line 6** into **Form 1040**, **Line 16**, and then calculate **Line 24** for your *Total Tax*. Your *Total Tax* is the amount you owe to the IRS and must pay by April 15 or else interest will accrue from the following day.

Foreign Earned Income Tax Worksheet—Line 16 *Keep for Your Records*

CAUTION *If Form 1040 or 1040-SR, line 15, is zero, don't complete this worksheet.*

1.	Enter the amount from Form 1040 or 1040-SR, line 15	1.
2a.	Enter the amount from your (and your spouse's, if filing jointly) Form 2555, lines 45 and 50	2a.
b.	Enter the total amount of any itemized deductions or exclusions you couldn't claim because they are related to excluded income	b.
c.	Subtract line 2b from line 2a. If zero or less, enter -0-	c.
3.	Add lines 1 and 2c	3.
4.	**Figure the tax on the amount on line 3**. 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 Form 1040 or 1040-SR, line 16, to see which tax computation method applies. (Don't use a second Foreign Earned Income Tax Worksheet to figure the tax on this line.)	4.
5.	**Figure the tax on the amount on line 2c**. If the amount on line 2c is less than $100,000, use the Tax Table to figure this tax. If the amount on line 2c 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 the entry space on Form 1040 or 1040-SR, line 16	6.

If you have filled in your personal information from **Lines 25-32** and found that you have an amount on **Line 34** that is not "0," congratulations! This number is the refund due to you from the IRS. Fill in **Lines 34-35** for a direct deposit into your American bank account. If you have to pay taxes, refer to the **Instructions for Form 1040** on payment methods and where to send your payment.

Payments	25	Federal income tax withheld from:				
	a	Form(s) W-2	25a	0		
	b	Form(s) 1099	25b	0		
	c	Other forms (see instructions)	25c	0		
	d	Add lines 25a through 25c			25d	0
If you have a qualifying child, attach Sch. EIC.	26	2024 estimated tax payments and amount applied from 2023 return			26	0
	27	Earned income credit (EIC)	27	0		
	28	Additional child tax credit from Schedule 8812	28	0		
	29	American opportunity credit from Form 8863, line 8	29	0		
	30	Reserved for future use	30			
	31	Amount from Schedule 3, line 15	31	0		
	32	Add lines 27, 28, 29, and 31. These are your **total other payments and refundable credits**			32	0
	33	Add lines 25d, 26, and 32. These are your **total payments**			33	0
Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you **overpaid**			34	0

After all that (or if neither situation above is the case), remember to sign and date in the box. Save a copy of all your tax forms and then send it to the appropriate IRS address. You should be good to go after reaching this point, so don't wait until the last minute! (。•̀ᴗ-)✧おつかれ！

If you are living abroad when the official deadline to file taxes is due, you are automatically granted a two-month extension from April 15 until June 16. If, for some reason, you need additional time to prepare your tax forms, you can request an extension to file your taxes up until October 15 by filing **Form 4868** (see tax guide for first-year JETs). However, any payments to the IRS you need to make must still be sent by April 15.

Once you have completed your tax return, **sign and date** the forms and mail them all to the IRS office in Austin, TX. Your tax return will include *at least* **Form 1040, Schedule 1, Schedule B, Form 2555,** and the **Foreign Earned Income Statement.**

FinCEN Form 114 – Report of Foreign Bank and Financial Accounts (FBAR)

The **FBAR** is an informational form that must be filed *only* by anyone who had **over $10,000 USD** in their foreign bank account(s) at any point during the calendar year – not at the end of the year, not averaged, but on any singular day. The **FBAR** is filed separately from your **Form 1040** and **must be e-filed**, regardless of how you file your tax return. You do not have to calculate any taxes or pay any money, but there can still be penalties for late filing or failure to file. The deadline to file the **FBAR** is **April 15**.

By "foreign bank accounts," they mean just that: any non-American bank accounts, so not including any money you have sitting back home. However, if you have bank accounts in foreign countries other than Japan, or multiple Japanese bank accounts, the $10,000 limit will apply to all of them in aggregate. For example, if you have $5,000 in one foreign account and $5,001 in another, you must file the **FBAR**.

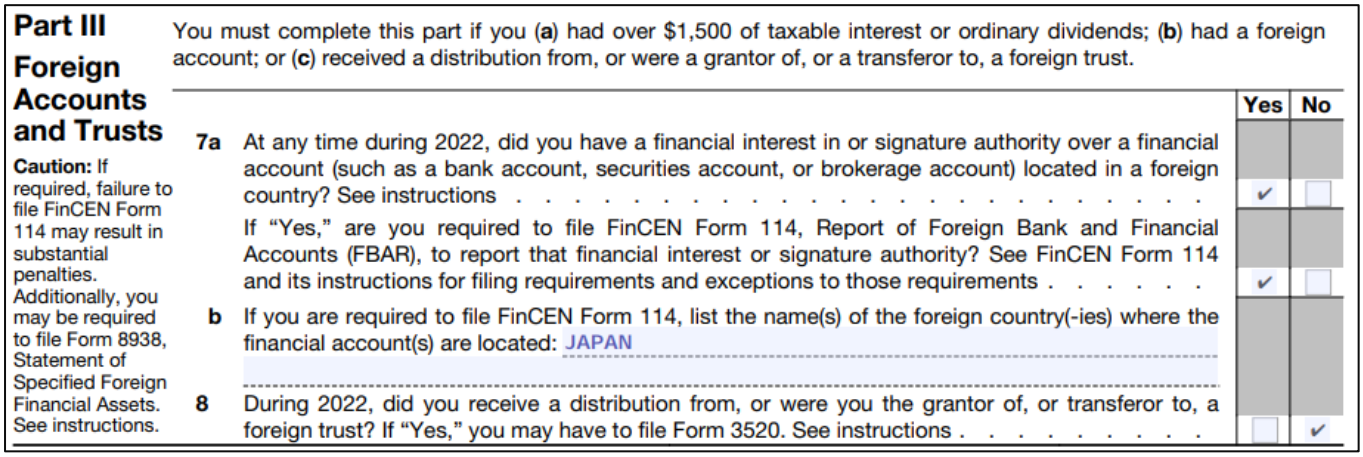
The **FBAR** uses the Treasury Reporting Rates of Exchange for the last calendar day of the year. For December 31, 2024, this was $1 = ¥156.85. Thus, if you had **over ¥1,568,500** in your Japanese bank account(s) at any point during the year, you must file the **FBAR**.

*NOTE: The exchange rate you use to convert from JPY to USD for the **FBAR** is different from the one you use on your tax return. Please do not confuse the two exchange rates.*

The form will ask for bank information like the name and address of the bank, the name of the account holder, the account number, type of account (e.g. checking or savings), and the maximum value in USD of the account during the year. If you qualify to file with multiple accounts, you will need the info from all of them, even if any of them are individually under $10,000.

You can file your **FBAR** for free at the website indicated by the IRS guidelines:
https://www.irs.gov/businesses/small-businesses-self-employed/report-of-foreign-bank-and-financial-accounts-fbar
For additional guidance, see Publication 5569 or the IRS guide to filing the **FBAR**.

Remember to fill out **Schedule B** as pictured below, answering "Yes" To **Line 7b:**



Part III Foreign Accounts and Trusts

Caution: If required, failure to file FinCEN Form 114 may result in substantial penalties. Additionally, you may be required to file Form 8938, Statement of Specified Foreign Financial Assets. See instructions.

You must complete this part if you (**a**) had over $1,500 of taxable interest or ordinary dividends; (**b**) had a foreign account; or (**c**) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
7a	At any time during 2022, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions	✔	
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements	✔	
b	If you are required to file FinCEN Form 114, list the name(s) of the foreign country(-ies) where the financial account(s) are located: JAPAN		
8	During 2022, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions		✔

Links to Forms and Publications

Form 2555 Foreign Earned Income
https://www.irs.gov/pub/irs-pdf/f2555.pdf (Form)
https://www.irs.gov/pub/irs-pdf/i2555.pdf (Instructions)

Form 1040 U.S. Individual Income Tax Return
https://www.irs.gov/pub/irs-pdf/f1040.pdf (Form)
https://www.irs.gov/pub/irs-pdf/i1040gi.pdf (Instructions, including for all Schedules)

Form 1040 - Schedule 1 Additional Income and Adjustments to Income
https://www.irs.gov/pub/irs-pdf/f1040s1.pdf (Form)

Form 1040 - Schedule B Interest and Ordinary Dividends
https://www.irs.gov/pub/irs-pdf/f1040sb.pdf (Form)
https://www.irs.gov/pub/irs-pdf/i1040sb.pdf (Instructions)

Form 4868 Application for Automatic Extension of Time to File U.S. Taxes
https://www.irs.gov/pub/irs-pdf/f4868.pdf (Form and instructions)

Form 8822 Change of Address
https://www.irs.gov/pub/irs-pdf/f8822.pdf (Form and instructions)

Publication 54 Tax Guide for U.S. Citizens and Resident Aliens Abroad (very detailed instructions)
https://www.irs.gov/pub/irs-pdf/p54.pdf

Publication 970 Tax Benefits for Education
http://www.irs.gov/pub/irs-pdf/p970.pdf

Publication 5569 FBAR Reference Guide
http://www.irs.gov/pub/irs-pdf/p5569.pdf

Notes and Resources

- Other Resources:
  - The U.S. Embassy in Japan's Tax Page
  - Internal Revenue Service (U.S. Taxes) - U.S. Embassy & Consulates in Japan
- IRS info for U.S. Citizens Living Abroad
  - https://www.irs.gov/individuals/international-taxpayers/taxpayers-living-abroad
- Individual cases and circumstances will vary. Additional procedures will be necessary if one of the following statements is applicable to you:
  - You moved out of Japan during the 2024 tax year
  - You are married and/or have dependents of your own
  - Someone else will claim you as a dependent for the 2024 tax year
  - You earn income from stocks, bonds, real estate or other investments
  - The total value of your specified foreign assets is more than $200,000 on the last day of the tax year or more than $300,000 at any time during the year (check out **Form 8938**)
  - Any number of other circumstances
- Per the IRS: "The Internal Revenue Service has no official exchange rate. Generally, it accepts any posted exchange rate that is used consistently." A list of sites that post such exchange rates is available in the IRS link here: https://www.irs.gov/individuals/international-taxpayers/foreign-currency-and-currency-exchange-rates Make sure you are using the annual average rate.
  This guide uses the Internal Revenue Service average annual exchange rate figure of $1 = ¥151.353, which can be found at the link above. Previous tax guides have used the Federal Reserve Bank's exchange rate found here: https://www.federalreserve.gov/releases/g5a/current/
- This guide is in no way affiliated with the IRS, U.S. Government, CLAIR, or the Kumamoto Prefectural Government including the Board of Education of the prefecture and/or its municipalities.
  - The IRS - *not this document* - is the final authority on tax-related matters. This is just a rough, unofficial guide. Be sure to check with instructions from the IRS to file your documents as correctly as possible. It is your responsibility to file your taxes correctly.
- 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.
- Please remember that if you owe taxes, you must make sure to **pay by the federal deadline of April 15**. The extensions mentioned in this guide are only for filing taxes. It is your responsibility to pay any and all taxes on time.

We have compiled a list of frequently asked questions (and answers!) regarding the tax-filing process. These can be viewed on the Kumamoto JET website:
https://kumamotojets.weebly.com/usa-tax-guide.html

This guide has been updated with **100% voluntary efforts**. If this unofficial guide helped you a lot and you're interested in keeping the tax guide legacy going, please consider volunteering to help update the guide for the next tax year. You can express your interest at kumamotopa@gmail.com