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# Instructions for Form 8898

(Rev. October 2022)



Department of the Treasury  
Internal Revenue Service

## Statement for Individuals Who Begin or End Bona Fide Residence in a U.S. Possession

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 8898 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8898](https://www.irs.gov/Form8898).

### What's New

**Line 3a.** We added new line 3a for the taxpayer's worldwide gross income for the tax year associated with the move.

**Line 3b.** We moved line 3 to line 3b.

## General Instructions

### Purpose of Form

Use Form 8898 to notify the IRS that you became or ceased to be a bona fide resident of a U.S. possession in accordance with section 937(c). See [Bona Fide Residence](#), later. For this purpose, the following are considered U.S. possessions: American Samoa, Guam, the Commonwealth of the Northern Mariana Islands (CNMI), the Commonwealth of Puerto Rico, and the U.S. Virgin Islands.

### Who Must File

You must file Form 8898 for the tax year in which you meet both of the following conditions.

- Your [worldwide gross income](#) (defined later) in that tax year is more than \$75,000.
- You meet one of the following.
  - You take a position for U.S. tax purposes that you became a bona fide resident of a U.S. possession after a tax year for which you filed a U.S. income tax return as a citizen or resident of the United States but not as a bona fide resident of the possession.
  - You are a citizen or resident of the United States who takes the position for U.S. tax purposes that you ceased to be a bona fide resident of a U.S. possession after a tax year for which you filed an income tax return (with the IRS, the possession tax authorities, or both) as a bona fide resident of the possession.

c. You take the position for U.S. tax purposes that you became a bona fide resident of Puerto Rico or American Samoa after a tax year for which you were required to file an income tax return as a bona fide resident of the U.S. Virgin Islands, Guam, or the CNMI.



*When figuring whether your worldwide gross income is more than \$75,000, do not include any of your spouse's income. If both you and your spouse are required to file Form 8898, file a separate Form 8898 for each of you.*

**Worldwide gross income.** Worldwide gross income means all income you received in the form of money, goods, property, and services, including any income from sources outside the United States (even if you may exclude part or all of it) and before any deductions, credits, or rebates.

**Example 1.** You are a U.S. citizen who moved to the CNMI in December 2021 but did not become a bona fide resident of that possession until the 2022 tax year. You must file Form 8898 for the 2022 tax year if your worldwide gross income for that year is more than \$75,000.

### When and Where To File

File Form 8898 by the due date (including extensions) for filing Form 1040. File the form by mailing it to the following address.

Internal Revenue Service  
3651 S. IH 35  
MS 4301AUSC  
Austin, TX 78741



**Do not file Form 8898 with your tax return. Do not send your tax return to the address above.**

### Penalty for Not Filing Form 8898

If you are required to file Form 8898 for any tax year, and you fail to file it or do not include all the information required by the form or the form includes incorrect information, you may be subject to a penalty of \$1,000, unless it is shown that such failure is due to

reasonable cause and not willful neglect. This is in addition to any criminal penalty that may be imposed.

### Bona Fide Residence

You are a bona fide resident of a U.S. possession if you:

- Do not have a tax home outside the possession,
- Do not have a closer connection to the United States or to a foreign country than to the possession, and
- Meet the [presence test](#) (defined later).

**Special rule for members of the U.S. Armed Forces.** If you are a member of the U.S. Armed Forces who qualified as a bona fide resident of the possession in an earlier tax year, your absence from that possession during the current tax year in compliance with military orders will not affect your status as a bona fide resident. Likewise, being in a possession solely in compliance with military orders will not qualify you as a bona fide resident of that possession.

### Special rule for civilian spouse of active duty member of the U.S. Armed Forces.

If you are the civilian spouse of an active duty service member, under the Military Spouses Residency Relief Act (MSRRA), you can choose to keep your prior residence or domicile for tax purposes (tax residence) when accompanying the servicemember spouse, who is relocating under military orders, to a new military duty station in one of the 50 states, the District of Columbia, or a U.S. possession. You and your spouse must have the same tax residence. If you choose to keep your prior tax residence after such a relocation, the source of income for services performed (for example, wages or self-employment) by you is considered to be (the jurisdiction of) the prior tax residence. As a result, the amount of income tax withholding (from Form(s) W-2, Wage and Tax Statement) that you are able to claim on your federal return, as well as the need to file a state or U.S. possession return, may be affected. For more information, see:

- Notice 2010-30, available at [IRS.gov/irb/2010-18\\_IRB#NOT-2010-30](https://www.irs.gov/irb/2010-18_IRB#NOT-2010-30);

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- Notice 2011-16, available at [IRS.gov/irb/2011-17\\_IRB#NOT-2011-16](https://www.irs.gov/irb/2011-17_IRB#NOT-2011-16); and
- Notice 2012-41, available at [IRS.gov/irb/2012-26\\_IRB#NOT-2012-41](https://www.irs.gov/irb/2012-26_IRB#NOT-2012-41).

You can also consult with state, local, or U.S. possession tax authorities regarding your tax obligations under MSRRRA.

### Exception for the Year of the Move

An exception applies to the tax home and the closer connection tests for the tax year you moved to or from the possession. Under this exception, you satisfy the tax home and the closer connection tests for the tax year of the move if you meet the requirements explained next.

Also, a special exception applies to the bona fide residence test for the tax year you moved from Puerto Rico. Under this exception, you satisfy the bona fide residence test for the part of the tax year you moved from Puerto Rico if you meet the requirements discussed later under [Year of the move from Puerto Rico](#). If you qualify as a bona fide resident of Puerto Rico for the part of the tax year before the date you moved from Puerto Rico, you ceased to be a bona fide resident of Puerto Rico in the tax year that you moved from Puerto Rico.

**Example 2.** You are a U.S. citizen who moved from Puerto Rico to Florida in May 2022 and meet the requirements to qualify as a bona fide resident of Puerto Rico for the part of the tax year before the date you moved from Puerto Rico. You must file Form 8898 for the 2022 tax year if your worldwide gross income for that year is more than \$75,000.

#### Year of the move to the possession.

You satisfy the tax home and closer connection tests for the tax year you moved to the possession if you meet all of the following.

- You were not a bona fide resident of the possession in any of the 3 tax years immediately preceding the tax year of the move.
- You did not have a tax home outside the possession or a closer connection to the United States or a foreign country than to the relevant possession during any part of the final 183 days of the tax year of the move.
- You are a bona fide resident of the possession for the 3 tax years immediately following the tax year of the move.

If you do not meet all of the above conditions, you do not meet the tax home and closer connection tests under this exception. Instead, you must meet the requirements explained later under [Tax Home Test](#) and [Closer Connection Test](#).

**Year of the move from the possession.** You satisfy the tax home and closer connection tests for the tax year you moved from American Samoa, the CNMI, Guam, or the U.S. Virgin Islands if you meet all of the following.

- You were a bona fide resident of the possession for the 3 tax years immediately preceding the tax year of the move.
- You did not have a tax home outside the possession or a closer connection to the United States or a foreign country than to the relevant possession during any part of the first 183 days of the tax year of the move.
- You are not a bona fide resident of the possession in any of the 3 tax years immediately following the tax year of the move.

If you do not meet all of the above conditions, you do not meet the tax home and closer connection tests under this exception. Instead, you must meet the requirements explained later under [Tax Home Test](#) and [Closer Connection Test](#).

**Year of the move from Puerto Rico.** You qualify as a bona fide resident of Puerto Rico for the part of the tax year before the date you moved from Puerto Rico if you meet all of the following requirements.

1. You are a U.S. citizen.
2. You were a bona fide resident of Puerto Rico for at least 2 tax years immediately before the tax year of the move.
3. In the year of the move, you:
  - a. Ceased to be a bona fide resident of Puerto Rico, and
  - b. Ceased to have a tax home in Puerto Rico.
4. You had a closer connection to Puerto Rico than to the United States or a foreign country during the part of the tax year before the date on which you ceased to have a tax home in Puerto Rico.

If you do not meet all of the above requirements, you are not a bona fide resident of Puerto Rico in the year of the move under this exception. Instead, you must meet the requirements explained next under [Tax Home Test](#), and [Presence Test](#), later.

### Tax Home Test

Under the tax home test, you generally cannot have a tax home outside the possession during any part of the tax year. Your tax home is your regular or main place of business, employment, or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business because of the nature of your work or because you are not engaged in a trade or business, then your tax home is the place where you regularly live. If you do not fit either of these categories, you are considered an itinerant and your tax home is wherever you work.

**Special rules for students and government officials.** Disregard the following days when determining whether you have a tax home outside the possession.

- Days you were temporarily in the United States as a student (see [Student](#), later).
- Days you were in the United States serving as an elected representative of the possession, or serving full time as an elected or appointed official or employee of the government of the possession (or any of its political subdivisions).

**Special rule for seafarers.** You will not be considered to have a tax home outside the possession solely because you are employed on a ship or other seafaring vessel that is predominantly used in local and international waters. For this purpose, a vessel will be considered to be predominantly used in local and international waters if, during the tax year, the total amount of time it is used in international waters and in waters within 3 miles of the possession exceeds the total amount of time it is used in the territorial waters of the United States, another possession, or any foreign country.

### Closer Connection Test

You meet the closer connection test if you do not have a closer connection to the United States or a foreign country than to the U.S. possession.

You are considered to have a closer connection to a possession than to the United States or to a foreign country if you have maintained more significant contacts with the possession(s) than with the United States or foreign country. Significant contacts that may be considered include the following.

- The location of:
  1. Your permanent home;

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2. Your family;
3. Your current social, political, cultural, professional, or religious affiliations;
4. Where you conduct your routine personal banking activities;
5. The jurisdiction in which you hold a driver's license; and
6. Charitable organizations to which you contribute.
  - The place of residence you designate on forms and documents.

Your connections to the possession will be compared to the total of your connections with the United States and foreign countries. Your answers to the questions on Form 8898, Part III, will help establish the jurisdiction to which you have a closer connection.

### Presence Test

You meet the presence test for the tax year if you meet one of the following conditions.

1. You were present in the possession for at least 183 days during the tax year.
2. You were present in the possession for at least 549 days during the 3-year period that includes the current tax year and the 2 immediately preceding tax years. During each year of the 3-year period, you must also be present in the possession for at least 60 days.
3. You were present in the United States for no more than 90 days during the tax year.
4. You had \$3,000 or less of earned income from U.S. sources and were present for more days in the possession than in the United States during the tax year. See the instructions for [Line 8](#) under *Specific Instructions*, later, for the definition of earned income from U.S. sources.
5. You had no [significant connection](#) (defined later) to the United States during the tax year.



If you are a nonresident alien, see [Special rule for nonresident aliens](#), later.

**Days of presence in the United States or U.S. possession.** Generally, you are treated as being present in the United States or in the possession on any day that you are physically present in that location at any time during the day. If, during a single day, you were physically present in the United States and a possession, that day is counted

as a day of presence in the possession. If, during a single day, you were physically present in two possessions, that day is counted as a day of presence in the possession in which you have your tax home.

Count the following days as days of presence in the possession for purposes of the presence test. Do not count them as days of presence in the United States.

1. Any day you were outside the possession to receive (or to accompany on a full-time basis a parent, spouse, or child who is receiving) [qualified medical treatment](#) (defined later). For this purpose, the child must be your son, daughter, stepchild, foster child, adopted child, or a child lawfully placed with you for legal adoption.
2. Any day you were outside the possession because you left or were unable to return to the possession during any 14-day period within which a major disaster occurred in the possession that was declared a disaster area by the President.
3. Any day you were outside the possession because you left or were unable to return to the possession during any period for which a mandatory evacuation order was in effect for the area in the possession where you resided.
4. Any day (up to a total of 30 days) that you are outside the relevant possession and the United States for business or personal travel, but this rule:
  - a. Applies only if the number of days you are considered present in the relevant possession exceeds the number of days you are considered present in the United States (determined without regard to the rule in this section (4)), and
  - b. Does not apply for purposes of calculating the minimum 60 days of presence in the relevant possession that is required for the 549-day presence test (see [Presence Test](#), earlier).

Do not count the following days as days of presence in the United States for purposes of the presence test.

1. Any day you were in the United States for less than 24 hours when you were traveling between two places outside the United States.
2. Any day you were temporarily present in the United States as a professional athlete to compete in a [charitable sports event](#) (defined later).

3. Any day you were temporarily in the United States as a [student](#) (defined later).

4. Any day you were in the United States serving as an elected representative of a possession, or serving full time as an elected or appointed official or employee of the government of the possession (or any of its political subdivisions).

**Qualified medical treatment.** This is medical treatment provided by (or under the supervision of) a physician for an illness, injury, impairment, or physical or mental condition. The treatment must involve:

- A period of inpatient care (requiring an overnight stay) in a hospital or hospice and any period immediately before or after that inpatient care to the extent it is medically necessary, or
- A temporary period of inpatient care (requiring an overnight stay) in a residential medical care facility for medically necessary rehabilitation services.

You must keep records of your qualified medical treatment. For details on the records you must keep, see Pub. 570.

**Charitable sports event.** A charitable sports event is one that meets the following conditions.

- The main purpose is to benefit a qualified charitable organization.
- The entire net proceeds go to that charitable organization.
- Volunteers perform substantially all the work.

In figuring the days of presence in the United States, you can exclude only the days on which you actually competed in a sports event. You cannot exclude the days on which you were in the United States to practice for the event, to perform promotional or other activities related to the event, or to travel between events.



For a listing of most qualified organizations, go to [IRS.gov/Charities-Non-Profits](#).

**Student.** To qualify as a student, you must be, during some part of each of 5 calendar months during the calendar year (not necessarily consecutive):

1. A full-time student at a school that has a regular teaching staff, course of study, and regularly enrolled body of students in attendance; or
2. A student taking a full-time, on-farm training course given by a

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school described in (1) above or a state, county, or local government.

**Full-time student.** A full-time student is a person who is enrolled for the number of hours or courses the school considers to be full-time attendance.

**School.** The term “school” includes elementary schools, junior and senior high schools, colleges, universities, and technical, trade, and mechanical schools. It does not include on-the-job training courses, correspondence schools, and schools offering courses only through the Internet.

**Significant connection.** You have a significant connection to the United States if:

- You have a [permanent home](#) (defined later) in the United States,
- You are registered to vote in any political subdivision of the United States, or
- You have a spouse or child under 18 whose principal home is in the United States. For this purpose:

1. A spouse does not include a spouse from whom you are legally separated under a decree of divorce or separate maintenance; and

2. The child must be your son, daughter, stepchild, foster child, adopted child, or a child lawfully placed with you for legal adoption. But a child does not include:

a. A child who lives in the United States with a custodial parent under a custodial decree or multiple support agreement, or

b. A child who is in the United States as a [student](#) (defined earlier).

**Permanent home.** A permanent home generally includes accommodations such as a house, an apartment, or a furnished room that is available at all times, continuously and not solely for short stays. However, if you or your spouse owns the dwelling unit and rents it to someone else during the tax year, the dwelling unit is not your permanent home unless, during that tax year, you use some part of it for personal purposes for more than the greater of:

- 14 days, or
- 10% of the days the property is rented to others at a fair rental price. Generally, the rental property is considered used for personal purposes on any day it is not being rented to someone else at fair rental value for the entire day or is used by you, a family member, or anyone else who has an

interest in the property. The rental property is not considered used for personal purposes on any day on which the principal purpose for using the property is to do repair or maintenance work. For more information on determining whether the rental property was used for personal purposes, see Pub. 570.

**Special rule for nonresident aliens.**

The presence test does not apply to nonresident aliens. Instead, nonresident aliens must meet the substantial presence test discussed in chapter 1 of Pub. 519. In that discussion, substitute the name of the possession for “United States” and “U.S.” wherever they appear. Also, disregard the discussion in that chapter about a *Closer Connection to a Foreign Country*.

## Specific Instructions

Unless otherwise specified, answers to questions seeking information for a tax year generally refer to the tax year in which you became (or ceased to be) a bona fide resident.

### Name and Social Security Number (SSN)

If you file a joint return, enter only the name and SSN of the spouse whose information is being reported on Form 8898. If both you and your spouse are required to file Form 8898, file a separate Form 8898 for each of you.

### Address Before and After Your Change in Bona Fide Residence Status

Enter the address where you lived before your bona fide residence status changed and a different address for where you lived after your bona fide residence status changed.

**Example 3.** Mr. Grey, a U.S. citizen, moved from New York to the U.S. Virgin Islands. Mr. Grey must enter his New York address under “Address before your change in bona fide residence status” and his U.S. Virgin Islands address under “Address after your change in bona fide residence status.”

### Line 1

Check line 1, box a or b, whichever applies, and enter the tax year you take the position that you became or ceased to be a bona fide resident of a U.S. possession.

**Example 4.** Mr. Grey, a U.S. citizen, moved from New York to the U.S. Virgin Islands on March 1, 2022. To take the

position that he became a bona fide resident of the U.S. Virgin Islands in 2022, Mr. Grey checks box a on line 1 and enters “2022” on the line provided.

### Line 2

If you are not a U.S. citizen, you are either a nonresident alien or resident alien of the United States. You are considered a resident alien of the United States for U.S. tax purposes if you meet either the green card test or the substantial presence test for the calendar year (January 1 through December 31). If you do not meet either of those tests, you are considered a nonresident alien. For more information about these tests, see Pub. 519.

### Line 3a

Enter your worldwide gross income for the tax year entered on line 1. See [Worldwide gross income](#), earlier.

### Line 3b

**Average worldwide gross income.** Calculate your average worldwide gross income by adding together the worldwide gross income for each year of the 3-year period prior to the tax year entered on line 1. Divide the total by 3.0. Enter the amount on line 3b.



*The amount reported on line 3b is distinct from the worldwide gross income threshold amount for the year of the move that determines whether you must file Form 8898. See [Who Must File](#), earlier.*

### Line 4

If you checked line 1, box a, enter on line 4a the exact date (month/day/year) you moved to a possession to establish bona fide residence. If you checked line 1, box b, enter on line 4b the exact date (month/day/year) you moved from the possession to end bona fide residence.

**Example 5.** Mr. Grey, a U.S. citizen, moved from New York to the U.S. Virgin Islands on March 1, 2022. Mr. Grey would enter “03/01/2022” on line 4a.

### Lines 5 and 6

See [Days of presence in the United States or U.S. possession](#), earlier, for information on counting days of presence in the possession.

### Line 7

See [Significant connection](#), earlier.

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### Line 8

Earned income is wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered, including the fair market value of all earnings paid in any medium other than cash. Professional fees include all fees received by an individual engaged in a professional occupation (such as doctor or lawyer) in the performance of professional activities. See chapter 2 of Pub. 570 for information to determine if you have any earned income from U.S. sources.

### Line 9

See [Tax Home Test](#), earlier.

### Line 10

See [Closer Connection Test](#), earlier.

### Line 11

See [Exception for the Year of the Move](#), earlier.

### Lines 12 and 13

See [Permanent home](#), earlier. If you have more than one home, your principal permanent home is ordinarily the permanent home you live in most of the time.

### Line 14

Your immediate family means your spouse and minor children.

### Line 22

Under state law, a homestead exemption may:

1. Protect the owner of real property from a forced sale or seizure of the property from creditors (for example, in a bankruptcy proceeding), or
2. Provide a reduction in state or local real property taxes to qualified homeowners.

In some states, for individuals to avail themselves of these privileges, state laws require a designation of the

homestead property, the filing or recordation of a declaration to make the exemption operative, or an application for the homestead tax exemption. If either of the following applies, answer "Yes" on line 22 and indicate the state in which such designation, declaration, recordation, application, or property tax exemption was made.

1. You made a designation of homestead property or otherwise filed or recorded a declaration concerning property under a state homestead exemption law.
2. You applied for or took a homestead tax exemption from state or local property taxes.

### Lines 26 and 27

See chapter 2 of Pub. 570 for information to determine the source of income.

### Line 28

For stocks and bonds, indicate the country of origin of the stock company or debtor, and for U.S. companies or debtors, the state or possession of incorporation or formation.

For example, if you own shares of a U.S. publicly traded Delaware corporation, the investment is considered located in the United States (that is, Delaware), even though the shares of stock are stored in a safe deposit box in a foreign country or possession.

### Line 32

A gain is the amount you realize from a sale or exchange of property that is more than its adjusted basis. See Pub. 544 for the definitions of amount realized and adjusted basis.



*Special source rules apply to gains from dispositions of certain property within 10 years of becoming a bona fide resident of a U.S. possession. See Special Rules for Gains From Dispositions of Certain Property in Pub. 570 for more information.*

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### Privacy Act and Paperwork Reduction Act Notice.

We ask for this information to carry out the Internal Revenue laws of the United States. Section 937(c) and its regulations require that you give us the information. We need it to determine if you are a bona fide resident of a U.S. possession. If you do not provide this information or provide false information, you may be subject to penalties. We may disclose this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expense required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

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