

Exemption of Income Earned Abroad

▶ Attach to Form 1040.
 For taxable year ending DEC 31 1972

This Form is to be Used Only by United States Citizens

Name of taxpayer ALLEN E. & LYLETTE U. CATES

Foreign address (including Country) AIR AMERICA INC BOX 52 UDORN, THAILAND Your occupation PILOT

Name of employer ▶ AIR AMERICA INC

Employer's address U.S. ▶ 1725 KT. N.W. WASH. D.C. 20006
 Foreign ▶ Box 52 APO SF. CALIF. 96337

Give the latest year for which you filed a U.S. income tax return ▶ _____ Office where filed ▶ _____

For an explanation of the provisions under which earned income of citizens abroad is exempt, see instructions. You may obtain Publication 54, Tax Guide for U.S. Citizens Abroad, and all forms from any Internal Revenue office, U.S. Embassy, or Consulate.

Check status under which you claim exemption of earned income from services abroad

Bona fide residence. Complete Parts I and III.
 Physical presence. Complete Parts II and III.

Complete all items in the parts pertaining to your status. If an item does not apply, write "DOES NOT APPLY." Failure to submit required information may result in disallowance of the claimed exemption.

Part I To be Completed for Bona Fide Residence Only

- Foreign country in which you claim bona fide residence THAILAND. Residence began JULY 69, terminated PRESENT
 (Date) (Date)
- Type of living quarters in foreign country Purchased house Rented house or apartment Rented room Quarters furnished by employer
- Did your family live with you abroad during any part of the taxable year? Yes No
 If "Yes," for what period? ENTIRE PERIOD
- (a) Have you made a statement to the authorities of the foreign country you claim bona fide residence in that you are not a resident of that country? Yes No
 (b) Are you subject to the income tax of the country you claim bona fide residence in? Yes No
 If you made a statement to the authorities of the foreign country that you are not a resident, and the country holds you are not subject to its income tax, you do not qualify for this United States exemption. See Instruction 8(c).
- Complete the following for days present in the United States or its possessions during the taxable year:

Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)	Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)
<u>NONE</u>							

- (a) State any contractual terms or other conditions relating to the length of your employment abroad. INDEFINITE
- (b) State the type of visa you entered the foreign country under. NONE - SECTION 51 VISA OBTAINED BY COMPANY
- (c) Did your visa contain any limitations as to the length of your stay or employment in a foreign country? Yes No
 If "Yes," attach explanation.
- (d) List the places where you have resided and the dates of residence since you left the United States to establish residence abroad. HON 67 - JULY 69 SAIGON S. VIETNAM. JULY 69 - PRESENT UDORN THAI.
- (e) Did you maintain a home in the United States while residing abroad? Yes No
 If "Yes," show address of your home, whether it was rented, and the names and relationships of the occupants.

Part II To be Completed for Physical Presence Only

- The 18-month period the exemption for physical presence in a foreign country is based on is from _____ to _____ inclusive.
- Enter all travel abroad during the 18-month period the exemption is based on, except that you may omit travel between foreign countries that did not involve travel on or over international waters for 24 hours or more. If the last entry is an arrival in a foreign country, insert number of full days to end of 18-month period. If there was no travel to report during the period, write in schedule that you were physically present in a foreign country or countries during the entire 18-month period.

Name of country (including U.S.)	Date and time departed	Date and time arrived	Full days present in country	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.)

9 Enter prior years you claimed exemption for income earned abroad under section 911 ▶ _____

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Part III To be Completed for Both Bona Fide Residence and Physical Presence

10 Enter below your total earned income, including noncash remuneration. (See instructions 7 and 8(d).)

Is part of the income (such as bonuses) attributable to services performed in past years or to be performed for years other than this year? Yes No
 If "Yes," see Instructions 10(a) and 11.

Do not report exempt income on your Form 1040, but enter all taxable income in the appropriate sections of the form. For those who receive all or part of their income in foreign currency, the value of foreign currency received should be translated into terms of United States dollars on the basis of the rates of exchange prevailing at the time the income is actually or constructively received.

Earned income (for personal services rendered in foreign countries)	Exchange rates used	Amount (In U.S. dollars)
11 (a) Total wages, salaries, bonuses, commissions, etc. received during this year		55,596.11
(b) Amount attributable to prior years or future years (See Instructions 10(a) and 11.)		
(c) Balance attributable to this year. (Subtract line 11(b) from line 11(a).)		
12 Pensions and annuities (See Instruction 10(d).)		
13 Allowable share of income for personal services rendered (See Instruction 7.)		
(a) In a business (including farming) or profession. Attach Schedule C or F		
(b) In a partnership (State name, address, and nature of income.)		
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14 Noncash remuneration (Market value of property or facilities furnished by employer. Attach statement showing how determined.)		
(a) Home		
(b) Car		
(c) Other property facilities (Specify.)		
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15 Other income (Specify.)		
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16 Allowances or reimbursements		
(a) Cost of living		
(b) Overseas differential		
(c) Family		
(d) Education		
(e) Home leave		
(f) Quarters		
(g) For any other purpose (Specify.)		
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17 Total earned income from sources outside the United States		55,596.11
18 Amount exempt (if exempt status changed during the taxable year, complete schedule below.)		25,000.00
19 Taxable income (Line 17 less line 18. If less than zero, enter zero.) Enter here and report on Form 1040		30,596.11

Schedule for Computation of Exemption Claimed in Part III, line 18, above.

(The \$20,000 and \$25,000 exemptions are for full taxable years. The exemptions must be prorated when exempt status changes during the taxable year. See Instructions 8(a)(ii) and 10(c).)

	A	B
20 Applicable exemption	\$20,000	\$25,000
21 Number of exemption qualifying days in taxable year		365
22 Total number of days in taxable year		365
23 Percentage applicable (Divide the number of days on line 21 by the number of days on line 22.)	%	100 %
24 Allowable exemption (Multiply the amount on line 20 by the percent on line 23.)	\$	\$25,000
25 Total allowable exemption (Add amounts on line 24, columns A and B.) Enter here and on line 18		\$

(If more space is needed for any schedule, etc., attach statement.)