💼 Self-Employment While Living Abroad

If you're earning income by working for yourself — even part-time — the IRS considers you self-employed. This includes:

- Freelancers and consultants
- Coaches, creators, and online business owners
- Contractors or gig workers
- Digital nomads with international clients

If you earn **$400 or more**, you must report that income to the IRS.

What Are Your Tax Responsibilities as a Self-Employed Expat?

Even while abroad, you're required to:

- **File a U.S. federal tax return**
- **Pay self-employment tax** (15.3%) on your **net income**
- **Report worldwide income** — even if you're paid in foreign currency or deposited into a non-U.S. bank
- **Track business expenses and keep records**

💼 **Need help staying organized?** We offer professional bookkeeping and light accounting services for small business owners — so you can stay focused on what you do best, while we keep your books clean and tax-ready.

What About the FEIE?

You may qualify for the **Foreign Earned Income Exclusion (FEIE)** — which can reduce or eliminate **income tax** on your self-employment income. However:

🚨 **The FEIE does NOT exempt you from self-employment tax.**
You still owe 15.3% on your net income unless covered by a **totalization agreement** (see below).

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U.S. Social Security & Totalization Agreements

If you're living in a country with a **U.S. totalization agreement** (like the UK, Germany, or Australia), you may be able to avoid paying self-employment tax to both countries. To do so, request a **Certificate of Coverage** from the U.S. Social Security Administration.

Do I Still Owe State Income Tax?

Maybe. Some states (like **California, New Mexico, and South Carolina**) are aggressive in pursuing tax from residents who move abroad. If you **retain ties to a U.S. state** — like a driver's license, voter registration, bank accounts, or property — you might still be considered a tax resident there and owe **state income tax**.

We can help you evaluate whether your ties qualify you for ongoing state filing.

Deductions to Track

As a self-employed person, you can reduce your taxable income by deducting legitimate business expenses. These may include:

- Home office (even abroad)
- Internet & phone
- Business software & subscriptions
- Advertising/marketing
- Travel directly related to business
- Professional development
- Equipment or supplies

💡 **Pro tip:** If you use a personal bank account, track every transaction related to your business and keep digital receipts. Or better yet — set up a dedicated business account.

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💼 Self-Employment While Living Abroad

💼 We Can Help With:

- Professional bookkeeping & monthly reports
- Quarterly estimated tax calculations
- Business setup guidance
- Clean-up or catch-up books if you're behind
- Year-end tax prep support

💬 Let Us Simplify the Financial Side of Your Business

Whether you're just starting your expat business or catching up on late filings, we offer **judgment-free, clear support** to help you stay organized and compliant — so you can thrive abroad.

📅 Book a Discovery Call **or** 📩 Send a Message

https://bewellfinance.org

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