Taxes: Key Terms

Economics and Finance

Directions:

For each of the following you will go to **investopedia.com** and search for the definition and explanation of the key term. There will also be a follow up question (or two) for several of the words. MAKE SURE YOU UNDERSTAND WHAT THE TERM MEANS. For further explanation, read “Investopedia Explains” which is located underneath the website’s definition.

Many of you have already asked questions about how taxes work, but it’s important to understand the terminology behind taxes before we get into depths of them.

1040 Form–

1040A Form –

1040EZ Form –

**What types of people are more likely to use the 1040A form as opposed to the standard 1040 form? If YOU filled out one of these tax forms today, which would you fill out and why?**

Alimony –

**Why would alimony be included under taxes? (This might require a little critical thinking. Sorry, non-thinkers)**

Bush Tax Cuts –

**Why did it become an issue in this country when the Bush Tax Cuts ended?**

Capital Gains Tax –

Charitable Contributions Deduction –

**How is this deduction an encouragement to make charitable donations?**

Corporate Tax –

Death Tax –

**What is an example of a Death Tax?**

Deduction –

Dependent –

**How can number of dependents you have affect the amount of taxes you pay?**

Flat Tax –

Kiddie Tax –

Levy –

Luxury Tax –

**Why might this sort of tax be extremely controversial?**

Progressive Tax –

Property Tax –

Refund (or Tax Refund) –

W-2 Form –

Withholding Tax –

**How does the withholding tax affect your refund?**