

Balanced budget	Budget in which revenues are equal to spending.
Corporate income tax	A tax on the value of a corporation's profits.
Deductions	Variable amounts that you can subtract, or deduct, from your gross income.
Discretionary spending	Spending category about which government planners can make choices.
Estate tax	A tax on the estate, or total value of the money and property, of a person who has died.
Gift tax	A tax on money or property that one living person gives to another.
Incidence of a tax	The final burden of a tax.
Individual income tax	A tax on a person's earnings.
Mandatory spending	Spending on certain programs that is mandated, or required, by existing law.
Medicaid	Entitlement program that benefits low-income families, some people with disabilities, and elderly people in nursing homes.

Medicare	A national health insurance program that helps pay for health care for people over age 65 or who have certain disabilities.
Personal property	Possessions such as jewelry, furniture, and boats.
Proportional tax	A tax for which the percentage of income paid in taxes remains the same for all income levels.
Real property	Physical property such as land and buildings.
Regressive tax	A tax for which the percentage of income paid in taxes decreases as income increases.
Social security	Old-Age, Survivors, and Disability Insurance (OASDI).
Tariff	A tax on imported goods.
Tax assessor	An official who determines the value of a property.
Tax base	Income, property, good, or service that is subject to a tax.
Tax exempt	Not subject to taxes.

Tax incentive

The use of taxation to encourage or discourage certain behavior.

Tax return

Form used to file one's income taxes.

Withholding

Taking tax payments out of an employee's pay before he or she receives it.