



ESL Podcast 364 – Filing Taxes

GLOSSARY

taxes – payments that citizens make to the government; money that the government takes from citizens

* How much did you pay in taxes last year?

to look (something) over – to review something; to read something and check it for correctness or accuracy

* Do you look over your children’s homework before they give it to their teacher?

exempt – not subject to something; not being required to do or pay something because it is not applicable to oneself

* Peace Corps Volunteers are sometimes exempt from paying application fees when they apply for graduate school.

EZ tax return – a simplified form for paying one’s taxes to the U.S. government

* If you have only one job and not very many investments, the easiest way to file your taxes is to fill out the EZ tax return.

earnings – money that one receives from jobs or investments

* When Marty accepted the new job, his annual earnings doubled.

salary – the amount of money that one receives in a year for working for a company or organization

* The engineering company offers a starting salary of \$72,000.

dividends – money earned on one’s investments; money received as a percentage of the amount that one has invested in some way; money paid by a company to its investors

* When you invest in a company, you might earn dividends or you might lose money.

dependent – a person, usually a child, who depends on another person for financial support, including food, housing, and clothing

* His parents listed him as a dependent until he turned 18 years old and started living alone.

withholdings – the money that a worker does not receive because it is taken out of his or her payments in order to pay taxes

* If you have a job that pays \$100,000 per year, you will probably receive only around \$70,000, because about 30% might be kept as withholdings.



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tax refund – the amount of money that one receives from the government if one's withholdings for the previous year were more than the amount that one owed in taxes

* He had too much in withholdings last year, so this year he expects to receive a big tax refund.

standard deduction – an amount of money that people can subtract from their total income when calculating their taxes if they do not want to specify all of their expenses

* She asked her accountant whether it would be better to take the standard deduction or to list all her expenses in detail.

to itemize – to make a detailed list of something, especially of one's expenses on a tax form

* Business owners need to itemize all their business expenses.

medical expenses – money spent on doctors' appointments and medicine

* Avrumel had a lot of medical expenses when he got in a car accident.

charitable contributions – money given to a not-for-profit organization, often to help poor people, improve the environment, or conduct medical research

* Each year they make charitable contributions for AIDS research and forest protection.

calculation – the use of numbers in addition, subtraction, multiplication, and division to find the answer to a math problem or the price or amount of something

* A good bank employee needs to be able to make simple calculations very quickly.

to crunch numbers – to make calculations; to add, subtract, multiply, and divide

* I hope you enjoy crunching numbers all day if you're thinking of becoming an accountant,

refund check – a piece of paper that one receives from the government and can take to a bank to exchange for money in the amount of one's tax return

* I wish we didn't have to wait so long to receive our refund checks. I could really use the extra money this month!



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COMPREHENSION QUESTIONS

1. Which of these are earnings?
 - a) Dividends.
 - b) Dependents.
 - c) Withholdings.

 2. When will one receive a refund check?
 - a) When one's withholdings are greater than one's taxes.
 - b) When one's standard deduction is greater than one's itemized deduction.
 - c) When one's medical expenses affect the calculations.
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WHAT ELSE DOES IT MEAN?

to look (something) over

The phrase “to look (something) over,” in this podcast, means to review or read something and check it for accuracy: “Could you please look over my homework and let me know if you find mistakes?” The phrase “to look down (one’s) nose at (someone or something)” means to act as if one were better than another person or thing: “When Jenni learned that we didn’t go to college, she looked down her nose at us.” The phrase “to look the other way” means to ignore something, or to see something that is wrong but not do anything about it: “Millions of people look the other way when they see homeless people on the street.” Finally, the phrase “to look no further” is used to say that one has exactly what another person needs: “If you’d like to make more money, look no further! I have a business opportunity for you.”

dependent

In this podcast, the word “dependent” means a person, usually a child, who depends on another person for financial support, including food, housing, and clothing: “The more dependents you have in your home, the more money you need to make each year.” The word “dependent” also means not independent, or needing something or someone for one’s happiness, success, health, existence, or something else: “Rocheleh is dependent on public radio news programs for learning about what is happening in the world.” Or, “High school students’ ability to get into a good college is dependent on their grades, extra-curricular activities, and essays.” The word “dependent” also means addicted to drugs or alcohol: “Bernie wishes that his son weren’t dependent on drugs.”



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CULTURE NOTE

There is a popular joke in the United States: “Only two things are certain in life: death and taxes.” Death and taxes seem to be the only things that people cannot “escape” (get away) from. Americans pay many different kinds of taxes and the “federal” (national) government uses the “tax revenues” (money received from taxes) to “finance” (pay for) federal programs.

Almost all Americans pay “income taxes,” or taxes on the amount of money that they earn each year. Income taxes are “assessed” (calculated and charged) as a percentage of one’s income. In general, people who earn more money pay a higher percentage of income tax than do people who earn less money. This is a “progressive” tax. If people who earn little money pay more in taxes than people who earn a lot of money, the tax is known as a “regressive tax.”

In all states except Oregon, Delaware, New Hampshire, Montana, and most of Alaska, Americans pay a “sales tax,” which is assessed as a percentage on all sales except for “groceries” (food that has to be prepared, not food in a restaurant). This tax is often around six or seven percent and represents a significant part of most Americans’ “budget” (a plan for how one will spend money in a certain period of time).

“Property owners” (people who own land, houses, and/or buildings) have to pay “property taxes,” too. The property that they own is “appraised,” meaning that a professional “appraiser” examines the property and decides how much it is “worth” (how much money something can be sold for). Then the property tax is assessed as a percentage of that “appraised value.”

Nobody likes paying taxes, but almost everyone does. If you don’t, the “Internal Revenue Service” (IRS; the U.S. agency that collects taxes) can make your life “miserable” (very sad and uncomfortable).

Comprehension Questions Correct Answers: 1 – a; 2 – a



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COMPLETE TRANSCRIPT

Welcome to English as a Second Language Podcast number 364: Filing Taxes.

This is ESL Podcast episode 364. I'm your host, Dr. Jeff McQuillan, coming to you from the beautiful City of Los Angeles, California, and the Center for Educational Development.

You can go to our website at www.eslpod.com and download a Learning Guide for this episode. The Learning Guides are designed to help you improve your English even faster. They include all of the vocabulary, definitions, new sample sentences so you can test your comprehension by reading them. We also have comprehension questions, additional definitions of words that we talk about here on the podcast; you'll find cultural notes, and a complete transcript of everything we say.

This episode is called "Filing Taxes." "To file," here, means to send in your information to the government, and to pay the taxes that you must pay your state and national government, here in the U.S. anyway. Let's get started.

[start of dialogue]

Ricky: Aren't you done with your taxes yet?

Shawn: No, not yet.

Ricky: Can I help?

Shawn: That would be great. I think I'm almost done, but it'd be great if you could look it over. This is the first year I haven't been exempt or filed an EZ tax return.

Ricky: No problem. What are brothers for? Okay, you've entered your earnings, including your salary and dividends. You have no dependents...

Shawn: I just hope I picked the right number of withholdings. I'd like to get a tax refund, rather than have to pay.

Ricky: Well, you can take the standard deduction here, but I suggest itemizing your medical expenses and your charitable contributions. It may make a big difference in the calculations.



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Shawn: Thanks. I'll crunch the numbers to find out. So what do I owe you for all of this help?

Ricky: That depends on the size of your refund check!

[end of dialogue]

Our dialogue between Ricky and Shawn begins by Ricky saying, "Aren't you done with your taxes yet (aren't you finished with your taxes yet)?" "Taxes" are payments – money – that you have to give the government for some reason. Here in the United States, we have different kinds of taxes. We have an income tax; "income" is the money you get for your job or other investments. Income taxes are, in the U.S., paid by everyone who makes a certain amount of money, and the more money you make, the more taxes you're supposed to pay, although it does not always happen that way. Everyone who lives in the U.S., or is a U.S. citizen, and makes a certain amount of money must file their taxes every year to the federal government and most state governments.

Ricky is asking if Shawn is "done," or finished, with preparing her taxes. We sometimes say "to prepare your tax return." The "return" is the actual form that you fill out your information on to send to the government. Shawn says, "No, not yet." Ricky says, "Can I help?" Shawn says, "That would be great. I think I'm almost done, but it'd be great if you could look it over (it would be great if you could look it over)." "To look over something" is a phrasal verb meaning to review something, to read something and check to make sure it is correct and accurate.

Shawn says, "This is the first year I haven't been exempt or filed an EZ tax return." "To be exempt from something" means that you are not required to do something; in this case, not required to pay something. If you make very little money in the U.S., you are usually exempt from paying taxes – you don't have to pay taxes. Shawn says that in the past she's file an EZ tax return. An "EZ" (which is spelled: the capital letter "E" and the capital letter "Z," obviously standing for the word "easy") is a tax return that the U.S. government started a few years ago to make it easier for people who don't make a lot of money to fill out their tax return. In the United States, your tax returns must be "filed," or sent to the government, by April 15th every year.

Ricky offers to help Shawn, he says, "What are brothers for?" This is an expression we use to mean that's what I'm here for; that is what being a brother, in this case, means. You could say, "What are sisters for?" You're saying, "I'm happy to help, that's why I'm here."



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Ricky says, “Okay, you’ve entered your earnings, including your salary and dividends.” “Your earnings” refers to all of the money that you receive from any source – from your job, from investments in the stock market; anything that you get is considered your earnings. Your “salary” (salary) is the amount of money you get for working for a company or organization. “Dividends” refers to the money you get from your investments. Sometimes companies who have stock will pay dividends; once a year, they will give you money because you are invested in their company.

Ricky says to Shawn, “You have no dependents.” A “dependent” is a person, usually a child, who “depends on,” or relies on, another person for their financial support: someone gives them food, housing, clothing, and so forth. In the U.S. tax system, if you are a parent who has children, you don’t have to pay as many taxes; if you have a lot of children, you pay even less. These are called “dependents.” Sometimes dependents could be your older father or mother, or grandparents, who you have to give money to, to support. If they rely on you – if they depend on you – then they’re considered dependents also, and you pay lower taxes because of that. The word “dependent” has a couple of different meanings in English, as does the phrasal verb we talked about earlier, “to look something over.” Take a look at the Learning Guide for some additional explanations of these expressions.

Shawn says, “I just hope I picked (or selected) the right number of withholdings.” “Withholdings” is money that you do not receive in your paycheck as part of your salary, but goes directly to pay your taxes. For example, if you get paid every two weeks you will receive some money, but the government will have the company withhold money from you. “To withhold” means not to give something to someone that otherwise belongs to them. So, if you make \$1,000 every two weeks, you may have to pay 100 or \$115 to the government in taxes. That’s because the government is not going to wait until the end of year, or April 15th, for you to pay all of your taxes; you have to pay some of them every time you receive a paycheck, and that money is called “withholdings.”

Shawn says, “I’d like to get a tax refund, rather than have to pay.” A “tax refund” is money the government gives back to you if you withheld too much money. So, you may have told the government to take too much money from your paycheck every week, then the government gives you money back. This is always, of course, a good thing – a “refund,” when someone returns money to you. If you didn’t withhold enough money, then you have to pay the government the rest of the taxes on April 15th.



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Ricky says, “Well, you can take the standard deduction here, but I suggest itemizing your medical expenses and your charitable contributions.” A “deduction” is something that you take out of something, something you subtract from something else. To deduct 2 from 10 would give you 8. The “standard deduction” is what the government says everyone can take out their income when they are calculating their taxes. The reason they do this is because basically they’re lowering the taxes on everyone’s income. The government also says that there are certain kinds of expenses that you can deduct from your income, so you don’t have to pay taxes on them. Many people, however, don’t “keep track of,” or don’t write down or keep a record of all of the expenses they make every year, so they can just take the standard deduction. The government says okay, it’s this much money that you can take out of your income so that you will have lower taxes.

The opposite is to itemize your expenses. “To itemize” means to make a detailed list of something, the expenses of what you have paid in the past year that the government says you can deduct from your income. For example, if you spend a lot of money on medical care – on going to a doctor, these medical expenses can be itemized and sometimes deducted from your income. If you give a lot of money to a charitable organization – a not-for-profit organization such as a hospital, a school, perhaps a church, these “contributions,” or gifts, are also deductible; they can be part of your itemized deductions. So charitable contributions, or gifts, are itemized, and therefore deductible.

Ricky says, “It may make a big difference in the calculations.” “Calculations” are the numbers that you add, subtract, multiply, or divide in order to solve a math problem. Shawn says, “Thanks. I’ll crunch the numbers to find out.” “To crunch the numbers” is an informal expression meaning to make or do the calculations – to add, subtract, multiply, and divide what you need to, to find the answer. It is often used when talking about business or finance or taxes; we talk about crunching the numbers for our business to find out if we are going to make money this year. It’s just another way of saying “to figure out.”

Shawn asks Ricky what she owes him for all of this help – what does she have to pay him. Ricky jokes, “That depends on the size of your refund check!” The “refund check” is the money that the government gives back to you if you’ve withheld too much money for your taxes. Ricky is saying, “If the government gives you a lot of money back, then you will have to pay me more.”

Now let’s listen to the dialogue, this time at a normal speed.



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Ricky: Well, you can take the standard deduction here, but I suggest itemizing your medical expenses and your charitable contributions. It may make a big difference in the calculations.

Shawn: Thanks. I'll crunch the numbers to find out. So what do I owe you for all of this help?

Ricky: That depends on the size of your refund check!

[end of dialogue]

The script for this episode was written by the very charitable Dr. Lucy Tse.
Thank you, Lucy!

From Los Angeles, California, I'm Jeff McQuillan. Thank you for listening. Come back and listen to us next time on ESL Podcast.

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