Lesson
24

WORDS TO LEARN

calculation
deadline
file
fill out
give up
joint
owe
penalty
preparation
refund
spouse
withhold

Taxes

Study the following definitions and examples.

1. **calculation** n., computation; estimate
   a. It took my accountant some time to complete the calculations on my income tax.
   b. According to my calculations, I'll owe less money on my income taxes this year.
2. **deadline** n., a time by which something must be finished
   a. The deadline for paying this year's taxes is just two weeks away.
   b. My best work is done with strict deadlines.
3. **file** v., to enter into public record
   a. If you file your taxes late, you will have to pay a fine.
   b. If you believe the tax preparer gave you incorrect information, you should file a complaint with her boss.
4. **fill out** v., to complete
   a. I usually ask someone to help me fill out my tax form.
   b. Don't forget to sign the tax form after you have filled it out.
5. **give up** v., to quit; to stop
   a. Bruce gave up trying to prepare his tax return himself and now hires an accountant to do it.
   b. Ms. Gomez is so optimistic that she never gives up.
6. **joint** adj., together; shared
   a. We opened a joint bank account five years ago.
   b. The couple no longer files joint tax returns.
7. **owe** v., to have a debt; to be obligated to pay
   a. People are often surprised to discover that they owe more money in income taxes at the end of the year.
   b. As the business grew, the owner paid back loans and owed less money.
8. **penalty** n., a punishment; a consequence
   a. Anyone who pays less than they should in taxes will face a penalty.
   b. Penalties are imposed to discourage underpayment of taxes by adding a percentage to the taxes you already owe.
9. **preparation** n., the act of making something ready
   a. Income tax preparation can take a long time.
   b. It is important to do some preparation on your own before hiring an accountant to work on your tax form.
10. **refund** n., the amount paid back; v., to give back
    a. With the tax refund, we bought two plane tickets.
    b. The government will refund any money that you overpaid.
11. **spouse** n., a husband or wife
    a. You can claim your spouse as a dependent on your tax return if he or she doesn't earn an income.
    b. My spouse prepares the tax return for both of us.
12. **withhold** v., to keep from; to refrain from
    a. My employer withholds money from each paycheck to apply toward my income taxes.
    b. Do not withhold any information from your accountant or he will not be able to prepare your tax form correctly.

LIVEWORKSHEETS

WORDS IN CONTEXT

Read the following passage and write the words in the blanks below.

calculated	fill out	owe	refund
deadline	gave up	penalized	spouse
filed	joint	prepares	withhold

Every year, my wife gathers all of our pay stubs and expense reports and (1) _____ to fill out our tax forms. She tries to finish them in March, well before the April 15th (2) _____. It's a time-consuming process. There are receipts to find, records to organize, and forms to (3) _____. When we first got married, we (4) _____ separate returns. But now she marks me as her (5) _____ and files the (6) _____ return. It saves us money and saves me time!

My wife is very proud of her accuracy. The government has never sent the forms back with corrections. For several years now, we have received a (7) _____. But this year, she (8) _____ the numbers over and over again and found we had not paid enough taxes throughout the year. She didn't want to (9) _____ any money. Finally, she (10) _____ and sent in our check. Actually, it was my fault. I had changed jobs and didn't ask my employer to (11) _____ enough money from my paychecks. I'm just glad we found and corrected the mistake before we got (12) _____.

LIVEWORKSHEETS

WORD FAMILIES

verb	calculate	The young man tries to calculate his expenses every month.
noun	calculation	The calculation is no more difficult than high school math.
noun	calculator	In order to avoid making addition and subtraction errors, I suggest you use a calculator.

verb	file	Don't wait until the last minute to file your taxes.
noun	file	I keep all my tax information in one file.

adjective	joint	My husband and I filed a joint tax return.
adverb	jointly	Even though you are separated right now, you will save money if you and your wife file your taxes jointly.

verb	penalize	The government will penalize taxpayers who try to evade paying their fair share of taxes.
noun	penalty	For every dollar you owe in overdue taxes, a 10 percent penalty is imposed.
adjective	penal	Tax evasion is a penal offense.

verb	prepare	Most people wait until the last minute to prepare their tax returns.
noun	preparation	If you are organized, income tax preparation takes only a few hours.
adjective	preparatory	The preparatory work for doing my taxes is more time-consuming than filling out the forms.

verb	refund	The government should refund your overpaid taxes within a few weeks of filing your tax return.
noun	refund	If you have overpaid your income taxes, you will get a refund at the end of the year.
adjective	refundable	Sales tax that tourists pay in a foreign country may be refundable when they leave the country.

LIVEWORKSHEETS

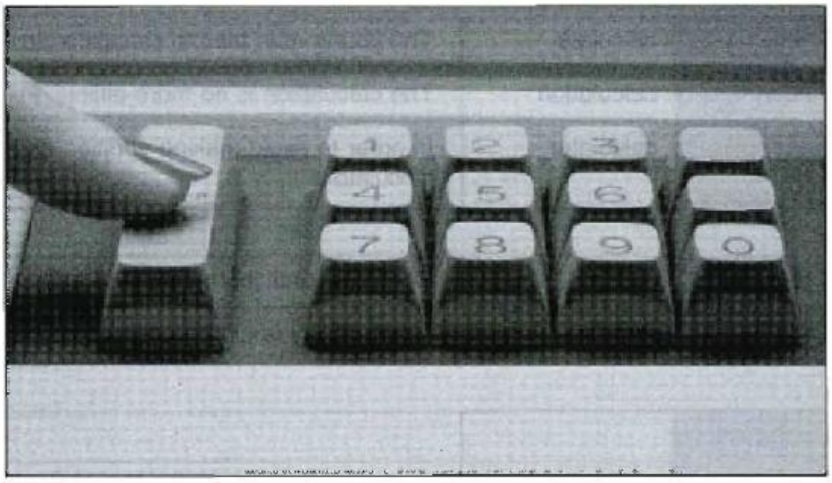
WORD PRACTICE

LISTENING COMPREHENSION

CD1
Track 24

Part 1 Photo

Look at the picture and listen to the sentences. Choose the sentence that best describes the picture.



1. Ⓐ Ⓑ Ⓒ Ⓓ

Part 2 Question–Response

Listen to the question and the three responses. Choose the response that best answers the question.

2. Ⓐ Ⓑ Ⓒ

3. Ⓐ Ⓑ Ⓒ

Part 3 Conversation

Listen to the dialogue. Then read each question and choose the best answer.

4. Who usually prepares the man's taxes?
   (A) The man.
   (B) His wife.
   (C) The man and his wife together.
   (D) An accountant.

5. When did the man file his taxes last year?
   (A) One month before the deadline.
   (B) Two months before the deadline.
   (C) One month after the deadline.
   (D) Two months after the deadline.

6. What is the penalty for missing the deadline?
   (A) 1 percent.
   (B) 2 percent.
   (C) 9 percent.
   (D) 10 percent.

Part 4 Talk

Listen to the talk. Then read each question and choose the best answer.

7. Who is the speaker?
   (A) A tax preparer.
   (B) A government tax agent.
   (C) A tax filer.
   (D) An employer.

8. When can the refund check be expected?
   (A) In eighteen weeks.
   (B) Before six weeks.
   (C) In four weeks.
   (D) In ten weeks at the latest.

9. What does the speaker offer to do?
   (A) Calculate the amount to withhold from the paycheck.
   (B) Make an arrangement with the employer.
   (C) Show the listener a fee schedule.
   (D) Send in the tax payment.

LIVEWORKSHEETS

READING

Part 5 Incomplete Sentences

Choose the word that best completes the sentence.

10. According to my _____, we owe a lot of money in taxes this year.
    (A) calculations (C) calculators
    (B) calculated (D) calculate

11. Those _____ on my desk contain all the information we'll need for preparing our taxes.
    (A) filed (C) file
    (B) files (D) filing

12. It is usually advantageous for spouses to file their income taxes _____.
    (A) joints (C) joint
    (B) jointly (D) jointed

13. We didn't know we had to claim the interest from our savings account and were _____ for the error.
    (A) penalize (C) penalty
    (B) penalizing (D) penalized

14. The _____ of the forms took much less time than we expected.
    (A) preparatory (C) prepared
    (B) preparation (D) prepares

15. I didn't overpay my taxes this year so I didn't get a _____.
    (A) refunded (C) refund
    (B) refundable (D) refunds

Part 6 Text Completion

Smith & Johnson

Tax Preparation

We take away the headaches of tax time.

__16__ your own taxes can be frustrating and often leads to costly errors in calculations. Are you ready to give up trying to fill __17__ your tax forms on your own? Smith & Johnson Tax Preparation can help you!

People who use professional tax preparers get larger refunds and avoid __18__ for underpayment and missed deadlines.

Make tax time easier. Call us today. You owe it to yourself.

16. (A) Prepare
    (B) To prepare
    (C) Preparing
    (D) Preparation

17. (A) in
    (B) up
    (C) out
    (D) through

18. (A) pennants
    (B) penalties
    (C) penumbras
    (D) peninsulas

LIVEWORKSHEETS

Part 7 Reading Comprehension

Questions 19–23 refer to the following letter.

April 1, 20—

Mr. Roger Earnshaw
2943 Northern Boulevard
New Orange, NH

Dear Mr. Earnshaw,

Enclosed are your completed tax forms, which I have prepared for you at your request. I am sorry to report that you will not receive the $500 refund that you expected. Instead, my calculations show that you owe $450 in taxes, as well as an additional penalty of $45 for underpayment of taxes. The reason for this is that you and your spouse have chosen not to file your taxes jointly this year. You may want to reconsider this for the future since, as you can see, it is more costly for married couples to file separately. If you and your spouse wish to continue to file separately, you may want to ask your employer to withhold a greater amount from your paychecks so that you don't end up owing money again next year. This will be even more important if you get the salary increase that you have been hoping for.

Write out a check for the taxes that you still owe and the penalty and mail it together with your tax forms before the April 15 deadline. Please let me know if I can be of any further assistance.

Sincerely,

Kathleen O'Hara
CPA

19. Who wrote the letter?
    (A) A tax agent.
    (B) A tax preparer.
    (C) Mr. Earnshaw's spouse.
    (D) Mr. Earnshaw's employer.

20. What is the total amount that Mr. Earnshaw owes?
    (A) $45.
    (B) $450.
    (C) $495.
    (D) $500.

21. What does Ms. O'Hara recommend to Mr. Earnshaw to improve his tax situation?
    (A) Get married.
    (B) File separately.
    (C) Ask for a salary increase.
    (D) Withhold more from his checks.

22. The word *jointly* in line 4 is closest in meaning to
    (A) together
    (B) apart
    (C) on time
    (D) finally

23. The word *deadline* in line 9 is closest in meaning to
    (A) holiday
    (B) schedule
    (C) anniversary
    (D) due date

LIVEWORKSHEETS