

# GLOSSARY



## Finance Foundations: Income Taxes

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Use these terms and definitions below to understand concepts taught in the course.

**Transcript Search:** note that you can search for terms directly within the course. To search video text, switch to the *Transcripts* tab, then press Cmd/Ctrl + F on your keyboard to run a search within the active transcript.

Term	Definition
capital gains	The amount of value increase from the purchase price of an investment to the selling price
deficit	Occurs when government spending is higher than the amount of taxes collected
double taxation	The term used for income that is first taxed as corporate income, then taxed again as individual income when distributed to stockholders
loophole	A term used for provisions in the tax code that allow individuals and corporations to avoid paying a certain amount of taxes
marginal tax rate	The rate of tax paid on the next dollar of income
tariff	A tax that a government collects on imports