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http://www.hrblock.com/taxes/fast_facts/



withholding

Pay as you earn taxation—employers withhold taxes from the employee (your) paycheck.



Earned Income

Includes (your) employee wages tips and salaries.; Taxable income.



exempt

Free from withholding of Federal Income tax. Doesn't exempt a person from paying other taxes, like a social security tax.



e-file

IRS online e-file uses automation to replace most of the manual steps used to process paper returns.



unearned income

Income other than that gained from work performed—Dividends and Interest on Investment accounts for example.



gross income

Money that must generally be reported on a tax return.



dependent

A person who relies on someone else for support.



financial records

Spending and income records and items to keep for tax purposes including paycheck stubs, statements of interest and dividends earned, and records of gifts, tips and bonuses.



deduction

Amounts that may be subtracted from earned income



Student loan interest deduction

A subtraction from income for interest paid on a student loan to a maximum of \$2500 (2004).