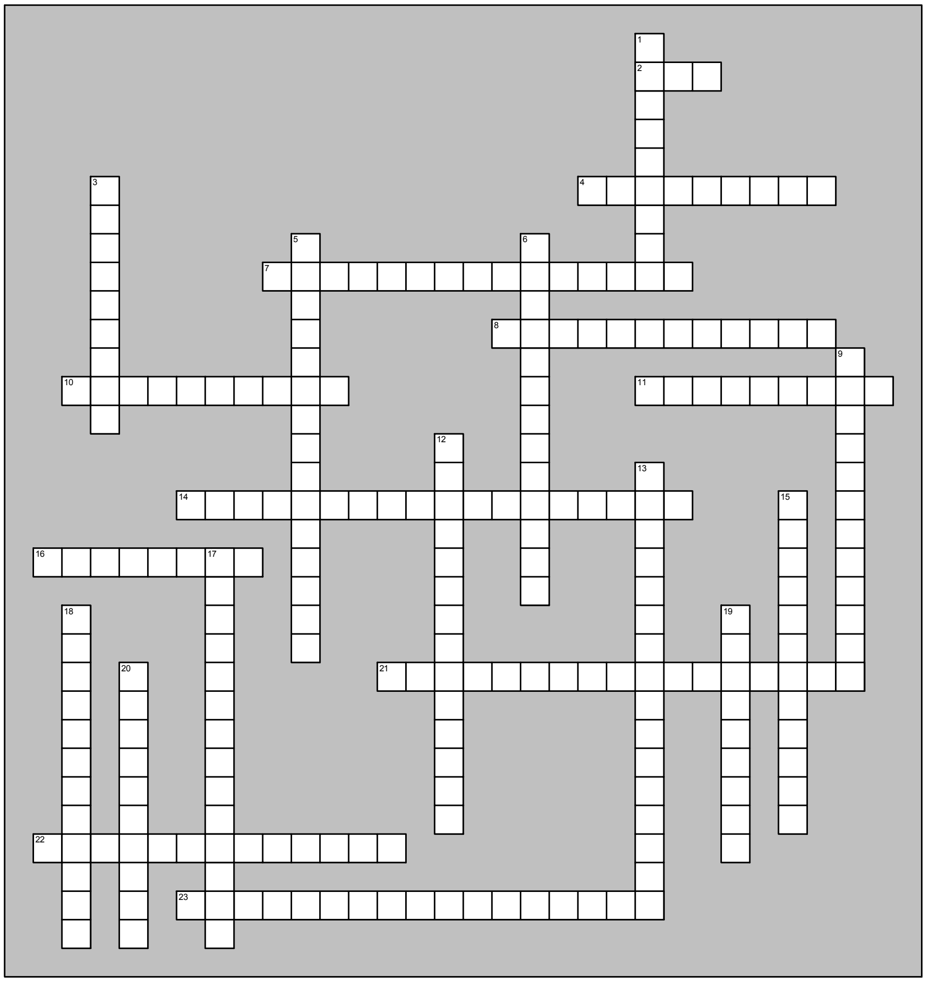
Name ___________________________________

Chapter 4: Planning Your Tax Strategy



Across

2. Gross income reduced by certain adjustments, such as contributions to an individual retirement account (IRA) and alimony payments (abbreviation).
4. A deduction from adjusted gross income for yourself, your spouse, and qualified dependents.
7. The rate used to calculate tax on the last (and next) dollar of taxable income.
8. The use of legitimate methods to reduce one's taxes.
10. An investment that provides immediate tax benefits and a reasonable expectation of a future return.
11. A tax imposed on specific goods and services, such as gasoline, cigarettes, alcoholic beverages, tires, and air travel.
14. Expenses that can be deducted from adjusted gross income, such as medical expenses, real estate property taxes, home mortgage interest, charitable contributions, casualty losses, and certain work-related expenses.
16. A detailed examination of your tax return by the Internal Revenue Service.
21. A set amount on which no taxes are paid.
22. Income resulting from business activities in which you do not actively participate.
23. Income that will be taxed at a later date.

Down

1. An amount subtracted directly from the amount of taxes owed.
3. A tax imposed on the value of a person's property at the time of his or her death.
5. Income that is not subject to tax.
6. The net amount of income, after allowable deductions, on which income tax is computed.
9. An amount subtracted from adjusted gross income to arrive at taxable income.
12. Total tax due divided by taxable income.
13. Money received in the form of dividends, interest, or rent from investments. Also called portfolio income.
15. Money received from personal effort, such as wages, salary, commission, fees, tips, or bonuses.
17. A tax levied on the value of property bequeathed by a deceased person.
18. Profits from the sale of a capital asset such as stocks, bonds, or real estate.
19. An amount not included in gross income.
20. The use of illegal actions to reduce one's taxes.