

## Glossary of Budget Terms

### Economy

the production, distribution, and exchange of goods and services, usually measured in terms of the money which facilitates these activities.

### Budget

a statement outlining the spending plans of a government or an individual usually for the coming year.

### Revenue

various incomes and payments received by a government or an individual. Opposite of expenditures. Some sources of income are set and are called **Fixed Revenue**, while others can change.

costs and payments made by a government, a corporation, or an individual. Opposite of revenue. Some expenditures can be changed while others, **Fixed Expenses**, cannot be changed.

### Debt and Deficit

debt is the amount a government owes. Deficit is the difference between revenue and expenditure – it is the amount remaining if money spent is greater than money received. If a government runs a deficit one year, that deficit becomes part of the debt in future years.

### Surplus

the amount of money that remains when income is greater than expenditures. The opposite of a deficit.

### Taxes, income taxes

money the government collects from individuals and corporations to fund the services it provides. Personal income tax is paid by individuals while corporate income tax is paid by corporations and businesses. There are two categories of taxes. **Progressive taxes** serve to redistribute wealth within a country by ensuring that the wealthiest people pay a higher percentage of taxes. Income taxes are progressive taxes. In contrast, **regressive taxes** charge everyone the same percentage of tax, no matter what their income level. The GST is a good example of a regressive tax.



*This glossary has borrowed heavily from a number of sources including CCPA's **Show us the Money: The Politics and Process of Alternative Budgets**, Marilyn Waring's **Counting for Nothing**, and the Canadian Department of Finance.*

