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## TOPICS

Taxes Americans pay; wedding/baby showers and gift registries; leverage, to dig, to guess versus to think versus to believe

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## GLOSSARY

**property tax** – tax paid for the home and land that one lives on; money paid to the government for the home or land that one owns

\* Since our house went up in value about \$50,000, our property taxes are sure to go up, too.

**appraised value** – the amount of money that the local government or a professional who determines the worth of something says a home or an object is worth

\* Lucinda can only buy insurance for her valuable paintings after getting their appraised value.

**due** – expected at a certain time; required to be completed by a specific time

\* The teacher said that our assignments are due on Thursday.

**utility** – a service that people use in their homes, such as water, natural gas, and electricity

\* Will we have enough money for rent each month after paying for the utilities?

**sales tax** – an amount of money paid to the government, which is charged as a percentage of the cost of something one buys

\* This box of pens is \$4.99, but with sales tax, they cost \$5.40.

**income tax** – an amount of money paid to the government, which is charged as a percentage of one's income

\* The more money people make, the more income tax they have to pay.

**to throw (someone) a party** – to organize a party for someone; to have a party to celebrate an event for someone else

\* This is Mom and Dad's 30<sup>th</sup> wedding anniversary. Let's throw them a party!

**wedding/bridal shower** – a special party for a woman before she gets married, usually only attended by women



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\* At the bridal shower, each woman gave the bride a present and some good wishes.

**baby shower** – a special party for a woman who is pregnant, before the baby is born, usually only attended by women

\* At the baby shower, the women who already had children gave the new mother good advice.

**gift registry** – a list of specific gifts at a store that one wants other people to buy for one for a wedding, new baby, or other important event

\* We can look at Diana and Chung's wedding gift registry online and buy something for them without having to visit the store.

**scanner** – a machine that electronically reads or examines something

\* At the grocery store, I wanted to buy a can soup, but there was no price listed. The clerk used the scanner to find out how much it cost.

**bar code** – the small, rectangular labels that have many small vertical (up and down) black and white lines with numbers underneath them

\* Is the bar code on the top or bottom of this box?

**leverage** – to use something that one has or knows for personal gain; to gain the advantage or a better position, by using something or some information

\* Several other companies wanted to hire Hera. She used this leverage to get a raise in her salary at her current company.

**to dig** – an informal term meaning to like or to understand

\* I'm really digging this new song by my favorite band.

**to guess** – to make a decision or form an opinion based on little evidence

\* A: How far is Phoenix from Los Angeles?

B: I don't know, but my guess is that it's about 400 miles.

**to think** – to make a decision or form an opinion based on a situation one has in mind

\* This damaged building may fall down at any minute. I think we should leave now!

**to believe** – to feel that something is true, even if no firm or strong evidence exists

\* I'm not sure, but I believe Sanjay's flight arrives before noon tomorrow.



## **WHAT INSIDERS KNOW**

### **Tax Evasion: Leona Helmsley**

Every American pays taxes. There is a famous saying: “In this world nothing is certain but death and taxes.” Most people pay their taxes each day, each year without “complaint” (saying that one doesn’t like something), but others have a different plan. Some people believe that they should be “exempt” (not required to do something). They look for “loopholes” (unclear or weak parts of a law) that allows them to avoid paying taxes. Taking advantage of these loopholes is sometimes legal and something illegal.

Some of the people who want to avoid paying taxes are those who are among the richest people in the United States. Many people “get away with it” (are not caught; are not discovered breaking the law or the rules), but others “pay the price” (are punished) for “tax evasion” (not paying taxes when they are supposed to).

One famous case involves a woman named Leona Helmsley. She was a very wealthy billionaire (someone with over \$1,000,000,000), who owned hotels in New York City and “invested in” (put money into) “real estate” (land, houses, and other property).

She had a very strong personality and many people thought that she was very “mean,” treating other people very badly. In fact, people called her the “Queen of Mean.” The general public disliked her very much, especially after her housekeeper “testified” (said officially in a courtroom) that she was heard telling other people: “We don’t pay taxes. Only the little people pay taxes...” By “little people,” she meant people who were not famous, rich, or important. She was “convicted” (found guilty by a court) of tax evasion in 1989 and she “served” (spent time in jail) 19 months in prison.



## **COMPLETE TRANSCRIPT**

You're listening to ESL Podcast's English Café number 185.

This is English as a Second Language Podcast's English Café episode 185. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in beautiful Los Angeles, California.

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On this Café, we're going to talk about the taxes that Americans have to pay, what our tax system is like here in the United States. Then we'll talk about wedding showers and baby showers, special parties for when someone gets married or has a baby, as well as something called a gift registry, which is a way for people to let their friends know what kind of presents they'd like to receive at those parties. These are all very popular here in the United States. And as always, we'll answer a few of your questions. Let's get started.

We begin this Café with a discussion about the taxes that Americans pay, the money that they have to pay their government – our government. There's a popular saying in English: "Nothing is certain (nothing is for sure) except death and taxes," meaning you can't avoid death, everyone dies, and in the U.S., everyone pays taxes, there's no way of avoiding them. Sometimes it seems that all we do is pay taxes. Let's take a look at the typical or normal day in the life of an average American taxpayer. Someone who pays taxes is called a "tax payer."

From the moment you wake up in the morning, you're already paying some taxes. If you wake up in your own home, you have to pay what are called "property taxes" on your property (on your home). The word "property" can mean anything that we own, but in this case it refers to our home and the land that it's on. In most states, such as California, each county has its own property tax system. A "county" is a smaller division within a state. I live in Los Angeles County, so I have to pay L.A. County property taxes. Each county and each state has different property tax rates. In some states it's very low, in other states it can be very high. Usually your property tax depends on how much your house and property (your land) are worth – how much money they are worth. If the price of the house and of your land goes up, you may have to pay higher property taxes.



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Property taxes are calculated usually as a percentage of your home's appraised value. "Appraised value" is the amount of money the local government says that your house is worth. For example, if the Los Angeles County government says that a house is worth \$300,000, which is about the average house in Los Angeles County, and the property tax rate is 1%, then the property tax that you have to pay, the tax that is "due," that you need to pay each year would be \$3,000. Unfortunately, in most places the property tax is higher than that, and so you have to pay more money. You may have to pay anywhere between \$1,000 a month to \$10,000 a month, depending on where you live and how much your house is worth – what it's appraised value is.

So you wake up, and you take a shower – I hope! This means that you have to pay a tax for how much water you are using. There's also a tax for the natural gas or electricity that you are using to heat up your water in the morning. These are taxes called "utility taxes," where a "utility" (utility) is some service that you use in your home: water, natural gas, electricity – these are the most common utilities. Sometimes if you rent an apartment, the person will say, "The rent does not include utilities," meaning you have to pay for the water and the gas and the electricity that you use.

So you take your shower, and you put on your clothing, and you get into your car. But, you need to put some gas in your car, so you drive to a gas station where you can buy gas. This is Los Angeles, remember, so everyone drives. Nobody takes a bus; there are no subways. Well, that's not quite true, there are some subways; nobody rides them! The gas tax is usually determined by each state. Each state has its own tax, it could be 5 cents a gallon, it could be 10 cents a gallon, or more.

Well, you are at the gas station and you're a little sleepy – you didn't sleep well last night, so you go and you stop at a coffee shop, like a Starbucks, to buy a cup of coffee. But when you buy your coffee you have to pay another tax called the "sales tax." The sales tax is a percentage of whatever you are buying. Usually sales taxes apply to everything except basic food, like meat and vegetables and milk, but that really depends on where you live – on the state where you live. If you buy food at a restaurant, you do normally have to pay sales tax. If you buy a beer or an alcoholic drink, you have to pay a special sales tax. So, most things you buy require a sales tax. In fact, the car that you drove in to the gas station, when you purchased it had a sales tax on it as well that you had to pay the state.

Sales taxes vary from city to city. Here in Los Angeles the sales tax is about, I believe, 8.25%, meaning for every \$100 of things that I buy, I have to pay \$8.25



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in sales tax. There are some states that have no sales tax, but they often have higher taxes for other things.

Well, we've finished our coffee, we get back in our car, and we go to our office to start making some money. But a lot of money that you make is not going to be received by you. It's going to go directly to the government as part of your income tax. "Income" is the money that you receive, usually for working – for doing something. Income tax is a percentage of your income and it depends on how much you make. United States has what's called a progressive income tax, meaning the percentage you pay goes up the more money you make. So if you make \$50,000 you may pay 15 or 20%; if you make \$150,000 you may have to pay 30 or 35% of what you make – of your income. It's a little more complicated than that; as you make more money, that additional money has a higher percentage tax on it. So the first \$25,000 may have one percentage, a low percentage; or if you don't make very much money, no percentage – you don't pay any income tax. And there are many people that don't pay income tax because they don't make very much money.

It's hard to say what the average income tax is in the U.S., probably around 20-25%. That's just the federal tax, however, our national tax. Many states, including California, have a state income tax. California's income tax is somewhere between 8 and 9%, perhaps a little bit more. So in addition to the maybe 35% you pay the federal government, you have to pay an additional percentage to the state government. There are some states that don't have any income tax. These, again, are States that often have sales taxes or other taxes where they make money.

So, you are working in your office in the morning, and you get hungry, you decide to go to a restaurant with some of your colleagues – some of your coworkers (the people you work with). You go and you look at your bill (the piece of paper that tells you how much you have to pay for your food) and you will, of course, see a restaurant tax, a special kind of sales tax that some restaurants in some places charge.

So, there are many different kinds of taxes. Some people have said that our tax system in the United States is too complicated, especially our income tax system. If you have a lot of income or a lot of different sources of income, your income tax forms that you have to fill out every year, what we call your income tax "returns" – that's name that we give the paper that you send to the government that gives them information about how much money you made, those forms can sometimes be 20 or 30 pages long and be very complicated. Some people have



proposed a simpler tax, but, of course, many economists will disagree about what the best kind of tax or form of tax is. That's one of the great political debates, at least here in the United States, and has been for many years.

Now let's turn to another topic, which is wedding and baby showers. Normally the word "shower" refers to something that is in your bathroom, where you stand under some hot water and wash yourself. But this is a different kind of shower; a wedding shower or a baby shower is a type of party.

When a woman is going to get married, it's common in the United States for the friends of the woman to throw her a party. To throw someone a party means to organize a party for someone. You might throw your friend a birthday party. If your friend is getting married, you might throw her a wedding shower, a special party before the woman gets married. Wedding showers are usually just for women, although in recent years the man often will go with the woman to the wedding shower. But traditionally, they have been showers that just include women. Another name for the wedding shower is a bridal shower (bridal), because a "bride" is our word for a woman who is getting married, who is not yet married. A woman who is going to have a baby would have a baby shower, of course

Usually these showers are in someone's home, and the home is often decorated with something for the party. To be "decorated" means to put something up on the walls or on the doors to indicate that this is a special party. If it's a baby shower, sometimes the home is decorated in blue if you know the baby will be a boy, and pink if you know the baby will be a girl. I've never actually been to either a baby or a wedding shower – being a man, as I am. Women, I am told, spend their time talking and eating, sometimes playing simple games – funny games, and often giving gifts; in fact, usually giving some sort of gift to the bride. Not only do you have to give a gift at the wedding, you have to give a gift at the bridal shower.

What kind of gifts do you give someone? Well, that depends on what the bride or, in the case of a baby shower, the new mother wants to receive. In this way, the U.S. is very practical; Americans decided that they would organize this gift giving by using something called a "gift registry." A "gift registry" is simply a list of things that the bride or the new mother wants to receive. So, if I am going to get married or if I am going to have a baby (which would be very difficult for me to do, as a man!) I would make a list of the things that I wanted to receive, things that I needed for my new house or for my new baby, then I would register at a certain store. So you go to certain stores and they will keep your list for you.





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Then, when someone wants to buy you a gift, they go to that store. You, of course, tell them which store you are registered at – which store has your list of gifts – your gift registry, and they can select one and buy that gift.

With the Internet now, it's all computerized. You can go online and pick a gift and even have the company mail the gift to the bride or the new mother. My nephew got married a few months ago, back in Minnesota. I wasn't able to go to the wedding, but I was able to go online and look at the gifts that he and his bride wanted for their wedding. This was not for a wedding shower; it was for the actual wedding. I selected something; I paid to have it shipped to their house. So it's all very practical; a little strange perhaps, people telling you what they want to receive as a gift, but as I say, Americans are practical in this way.

Many stores make it easy to create a gift registry. When I got married, my bride and I went to a store – this is back before, uh, electricity was invented, so, uh, they just had candles and they wrote things down on paper! Back then, we would give a list of things we wanted, but now the stores have become very sophisticated. They will often give the bride what's called a "scanner," which is a small machine that you can hold in your hand, and you can walk around the store and you say, "Oh, I want one of those," and you turn the scanner on and you can "scan," that is, you can record what that thing is. In many countries now, everything that is sold in the big stores has what's called a "bar code" on it, and this bar code is a small, little piece of paper that has many little black lines on it, and those lines are scanned by the machine and it tells the machine what that thing is.

So, the bride or the new mother goes to her favorite store, or, again nowadays, just goes online and looks at what they have to offer – what that store has. Then she can, if she's at the store, scan it, or if she's online, simply press a button – click on what she wants and that will create a list. For a bridal shower, these are usually gifts for the new home, like dishes, towels, things for cooking. For a baby shower, they would be things like clothing, diapers (which is what a baby wears to go to the bathroom), maybe furniture for the baby's room, and so forth.

The invitation for the shower (for the party, the piece of paper that you send out, or perhaps the email that you send, although it's more common, even now, to still send an actual physical letter to someone) will contain the name of the store or stores where you are registered. My nephew was registered at two different stores, so I could go to both of those online websites in order to decide what I was going to buy him and his bride. This is an important process, this registry, because it makes sure that you don't receive two or more things of the same





item. Once somebody buys that thing, it's taken off of your list so the next person who comes won't buy the same thing again. The cheap things usually get bought first, so you want to get to the registry quickly so you can buy the less expensive things – I'm just kidding, of course! You want to buy something that will show your love and your generosity to the new mother and the new bride.

Now let's answer a few of your questions.

Our first question is from Paul (Paul) in Argentina. Paul wants to know the meaning of the word "leverage" (leverage). "Leverage" can mean something that you use for your personal gain, something that you can use to increase your power, to put yourself in a better position to get something. It can be used both as a verb and a noun. You could say, "I leveraged my influence to get a good seat at the game." "I leveraged my influence" means I used my influence so I could get something better for myself.

Sometimes, in fact, the word "leverage" means the same as "influence": "The president's victory gave him a lot of political leverage (a lot of influence) because he won such a large number of the votes." Or you could say, "He has a lot of leverage with buyers because he is the president of the company" – he has a lot of influence.

In finance – in business, there's an expression: "a leveraged buyout." This is when someone buys a company by using money that they borrow from someone else, such as a bank. Normally, when you get a loan from the bank for a business purpose you need to have something called "collateral," something that's worth money so that if you don't pay the money back to the bank, the bank can come and take that collateral – that thing. If you buy a house, the house is the collateral. In a leveraged buyout, the assets – the money in the company is the collateral, if you will, for the loan that you are using to buy that company.

Isadora (Isadora), from an unknown country (we'll call it Country Y) wants to know the meaning of the word "dig" (dig). "To dig," as a verb, usually means to take something and put it into the ground (a tool) to remove dirt to create a hole. Informally, however, "dig" means, or used to mean, to like: "I really dig that television show." "I really dig that rock group." However, this was common back in the 1960s and 70s. It's not very common today, and if someone says it today they're probably trying to be funny. Another informal use of "dig" is "understand." Somebody says, "I'm not going in jail. Dig?" or "You dig?" means do you understand, but again, not very common anymore. If you heard it now, it would probably be someone, again, who was trying to make a joke.



Finally, Gerald (Gerald) in France wants to know the meaning of the words “guess,” “think,” and “believe.”

A “guess” or the verb “to guess” means to make a decision or have an opinion about something even though you don’t have a lot of evidence. You don’t necessarily have a good reason why you are saying that.

“To think” means to have something in mind, to use your brain to reason about something. But it can also mean something similar to the word “guess.” You could say, “I think it will rain soon.” You’re not really sure, you may just be guessing: “I guess it will rain soon, I’m not really sure.” “Think” may imply that you have some reason for thinking what you’re thinking.

“Believe” means that you feel that something is true, even if you don’t necessarily have a lot of evidence for it: “I believe that John will come today.” I don’t have any good reason for thinking that, but that is what I believe. If you say, “I guess John will come today,” you’re saying you’re not very sure. If you say, “I believe John will come today,” you are sure, you know that John is going to come today even though you don’t necessarily have any better reason to think that that is the case – that that is true.

So using “guess” means that you are not very sure; using “think” means that you have a little better reason to say something; using “believe” means that you strongly think you know that something is true, even though you don’t have a lot of evidence for it.

If you have a question or comment, you can email us. Our email address is [eslpod@eslpod.com](mailto:eslpod@eslpod.com).

From Los Angeles, California, I’m Jeff McQuillan. Thank you for listening. Come back and listen to us next time on the English Café.

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