Definition of Key Terms

In “Paying Dividends to American Residents from Carbon Fee Revenue”

**Carbon Fee** is the money collected from a fossil fuel supplier to incentivize measures that will reduce greenhouse gas emissions.

**Carbon Dividend** (or simply Dividend) is the share of net revenue from Carbon Fees that is distributed to an eligible U.S. resident on a monthly per-capita basis (full share to adults, half share to children up to 2 per family).

**Dependent** is a person who is claimed as being reliant on support from a tax-filing individual or couple. Dependents can be minors, full-time students under 26, or others who are not considered self-supporting and do not file their own taxes.

**EITC** is Earned Income Tax Credit, a tax benefit policy for low-income taxpayers.

**EFT**, or Electronic Funds Transfer, refers to direct bank deposits or withdrawals that are conducted electronically.

**Gross** revenue is the full amount of Carbon Fees collected during a period.

**Intermediary** is an agency or office that fulfills a certain function within the Carbon Fee and Dividend system, such as processing Dividend payments.

**Intra-year** refers to events occurring within a single calendar year.

**IRS** is Internal Revenue Service

**ITIN** is an Individual Taxpayer Identification Number. These numbers can be granted to taxpaying individuals residing in the U.S. who are not eligible for Social Security numbers but must file federal income tax returns.

**Lump sum** simply means a dollar amount that is paid all at one time.

**Means-tested** refers to government programs that determine eligibility based on income, such as Earned Income Tax Credits (EITC) or the Supplemental Nutrition Assistance Program (SNAP).

**Minor** person, for tax purposes (and for Dividend eligibility), is a person under 19 years of age.

**Net** revenue is the amount of Carbon Fee revenue after administrative expenses.

**Non-filer** is a U.S. resident who does not file federal income tax forms for a variety of reasons.

**Pay-As-You-Go** is a law passed in 2010 stipulating that any excise tax imposed on private businesses will reduce federal tax revenue because of reductions in other tax remittances by those same businesses, and thus must be ‘offset’ by either some new revenue source or by a reduction in federal spending. Typically, the ‘offset’ required is 25 percent of the new excise tax revenue.

**Per capita** means ‘per person’.

**Reconciliation** is an adjustment to correct any imbalances between Dividend payments that were made and those for which a recipient had been eligible.

**SNAP** is the Supplemental Nutrition Assistance Program, generally referred to as food stamps.

**SSA** is Social Security Administration

**Unbanked** refers to U.S. residents who don’t have a bank account.