

Word of the Day - **Deduction**

Hi everyone. This is Paul. Today's word of the day is **deduction**. **Deduction** is a noun and it's for formal use. There are two main uses. The main meaning is the act or process of deducting, subtracting, or taking away from the total amount or price. So the first way you can use this is strongly related to your taxes. Usually in most countries if you buy things that are for your work or your business then you can get a discount or a **deduction** on your income tax. So you are using a business purchase to lower your taxes. And you can use it this way,

**"I'm going to use this business expense as a deduction on my taxes."**

Or you can use it this way,

**"If you buy this new truck, you can use this as a deduction on your income tax."**

Now the second meaning of **deduction** is the act or the process of deducing. It's used to describe logical thinking or reasoning that leads to a conclusion. For example, a police detective accuses a husband of his wife's murder. He does this by linking the husband's hatred for his wife, his wife's rich life insurance policy, and the husband's bankrupt company. So you would say,

**"That was a very logical deduction by the police detective to come to the conclusion that the husband killed his wife."**

Now if you have more questions or you would like the full transcript you can go to [Practicus.co.kr](http://Practicus.co.kr). Thank you very much and take care.