

All About Tax Lien Investing

Quickly and Easily Make Big Profits
Guaranteed By The Government



Free Preview Report

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Overview: Investing In Tax Liens

A tax lien is secured by the real estate it is attached to. You are not actually buying the property, you are buying the government's lien on the real estate. When you buy a tax lien, you are paying someone else's property taxes. In turn the government, gives you the right to receive all of the tax money due, including fees, high interest and penalties.

To encourage taxpayers to pay their property taxes, the government charges sky-high interest which is passed directly to the tax lien certificate holder. The government even bills, collects, and sends you the money for the certificate you own.

Approximately 98% of all tax lien certificates pay off in 2 years or less. But that is about 2 years of tremendous interest earned on your money. What about the other 2%? If you are the owner of one of these certificates, and the taxes do not get paid within the set amount of time, you could end up owning the actual property for the amount you paid for the tax lien certificate!

Why Invest in Tax Liens?

Like millions of others, you probably worry about where to put your money in these shaky stock market times. Instead of investing in stocks, many people choose to invest in their money in "safe investments", like certificates of deposit or savings accounts. The problem is money market funds, banks, and savings and loans are paying less than 5% interest. Today, you will have to search for a CD paying more than 6%. After taxes and inflation, a 5% or 6% return leaves you with nothing at all!

There is another option. Suppose you could learn exactly how to get started buying tax liens and get a guaranteed return on your investment by Uncle Sam himself, without the high risk from investing in the stock market or the low rate of interest on CDs or money market accounts?



Buying tax liens from the government is one of the most powerful and safe investments you can make, because you will get a guaranteed rate of return on your investment backed by the government itself! Simply put, it's probably the best kept secret in investing.

Sound too good to be true? Well, it isn't if you have the right information on how to buy tax liens in states where tax lien investing is the most profitable.

In states like Michigan and Arizona, buying tax liens is especially profitable because the state pays an exceptionally high interest rate to lien holders, and provides them with a high level of security. In fact, 98 percent of tax liens are eventually paid off. And if the delinquent property owners don't pay back their tax liens, lien holders automatically get the chance to foreclose on the property and get the title to it after 1 to 3 years - for little more than the money they paid for the tax lien!

Simply put, buying tax liens is probably the best kept secret in investing and it's not difficult to do.

Investing in Tax Liens Is Easy...Learning How To Actually Get Started Is The Hard Part

It could take you hours and hours of research and could cost you a small fortune in phone bills, attorney fees and travel time to figure out the exact details on how to get started investing in tax liens, especially since the information is different for every state county.

But instead of knocking yourself out trying to figure out how to invest in tax liens, spend an hour reading this informational report and you will learn what tax liens are, the information you need to get started investing in them, and the tools you need to implement a successful investment strategy.



In this report, you will also get a list of the 27 states in the continental U.S. that sell tax lien certificates, and you will discover which of these states is tax lien investing the most profitable.

And, remember, you do not have to live in a particular state to buy their tax liens for sale. Even if you live as far away as New York or Texas, you can still invest in tax liens in Florida, Arizona, Illinois, Michigan, or any of the other states profiled in this report. It's also an easy thing to do from another state. Much easier, in fact, than trying to keep track of your stock market investments.

Think you need to be rich to invest in tax liens? Think again. One of the great things about tax lien investing is that tax liens come in a range of prices from \$100 and up, and, since you can buy just what you need, there is sure to be a tax lien to suit your budget.

Learn everything you need to know about tax liens in this concise, easy-to-understand report and get started now on your path to safe, high-interest, low-risk investment returns guaranteed by the government.

What Are Tax Liens: A Legal Definition

By definition, a lien is a legal term to the right to gain possession of someone else's property until the owner of the property fulfills a legal duty to the person holding the lien, such as payment of property taxes.

With tax liens, local governments have the right to lay claim to people's property when they do not pay their property taxes.

Why don't property owners pay their property taxes?

The most common reason why an owner doesn't pay is because they do not have enough money for the taxes, or the owner is just putting off paying them. Whether they've recently lost their job or are simply strapped



for cash, some people fail to pay their property taxes, just as they might fail to pay their electric or gas bill.

The problem is local governments depend on the revenue generated by property taxes to provide services and run their day-to-day operations, like repairing roads, funding schools, and paying for law enforcement. Property taxes can make up to 50% of a county's revenue. If property taxes do not arrive on time, many county governments find it difficult to budget or even function without this income.

In order to make up for the shortfall, governments have to raise the missing money somehow - even if it means raising the property taxes of citizens in the community who pay their property taxes on time. Of course, elected county officials don't want to raise taxes on their constituents because they know it will come back to hurt them when they run for re-election.

Another option is that counties can, and do, charge high penalties to delinquent property owners for failure to pay, and they have the power to foreclose on the property. The problem with this solution is that while the government pursues the delinquent taxpayer, it is without its money.

The other alternative is to place a lien on the owner's property. Just as a utility company can shut off you're your lights or gas if you don't pay your bill, local governments have the right to take similarly drastic measures against delinquent taxpayers.

Here's how tax liens work:

A county government places a lien on a piece of commercial or residential property or vacant land when the owner of the property does not pay their property taxes. This means that the tax obligation is officially registered in the county tax records. Until the taxes are paid off, the lien, remains in effect, which means that nobody can buy the property without paying off the lien. The amount of the lien equals the



amount of the unpaid taxes, plus penalties and interest.

If the property taxes remain unpaid for a long enough period of time, the county can foreclose on the property and take possession of it. In the meantime, the county charges an interest penalty on the amount of the unpaid taxes ranging anywhere from 8% to 50% per year!

Tax Lien Certificates

A lien is a very effective legal tool designed to force debtors to pay their bills.

The catch is counties don't want liens - they want cash so that they can keep the government running. With liens, counties must still foot the bill until the owner pays his/her taxes and most cannot afford to do this. Small, county governments are not in the lending business and they do not have money to loan.

Instead of holding the lien until the property owner finally pays their taxes, many states allow their county governments to sell off these liens at county-sponsored tax sale auctions in the form of tax lien certificates.

Tax lien certificates work like this: To get their money quickly, counties sell their liens to nearly any private citizen in any city or state who wants to buy them, and then issue certificates for the liens. States that offer tax lien certificates generally hold a tax sale auction at least once a year where buyers bid to purchase these tax lien certificates.

The purchase price of the individual tax liens sold by local governments varies, but you can expect to pay exactly the amount of the delinquent taxes, the interest and penalties already owed to the county by the property owner.

Once you buy the lien, you have the same rights to the property as the government. You not only get to collect the principal amount of the lien, but the



hefty interest that continues to add up until the lien is paid off in full.

In addition, like the government, lien holders automatically get the chance to foreclose on the property and get the title to it after a certain period of time - for little more than the money they paid for the tax lien.

Individuals have been buying up tax liens more and more because of the great benefits.

When you purchase a tax lien, you get:

- The amount of the unpaid taxes owed by the property owner.
- All outstanding interest accrued from the time of the sale.
- Additional fees charged by the county, like filing, advertising, and other administrative fees.
- Title to the property (after a certain amount of time set by the state jurisdiction) if the delinquent taxpayer fails to pay up.

Why Tax Lien Certificates Are a Safe Investment

Don't worry, tax lien certificates are not another invented, get-rich-quick scam. They are part of a government-sponsored program that serves to protect the financial interests of county governments as well as your interests. They not only offer you a high-rate return on your investment, they also provide a great opportunity to obtain real estate at incredibly low prices. In fact, your rights are set into law by state legislation.

As mentioned previously, as the purchaser of a tax lien certificate, you automatically receive the same rights of the government over the property, including:

- The right to collect the lawful interest on the unpaid taxes. The delinquent property owner has to pay you the interest set by the government from the day of sale.



- The right to foreclose on the property and take possession of it.
- The right to live in the property once you take possession of it. If you choose not to live in it, you can lease it out to tenants or sell it.

You know the old saying, "The only certainties in life are death and taxes". Have you ever heard of the IRS forgiving or forgetting about a tax debt? It never happens. The IRS levies heavy penalties and interest on people who do not pay their taxes, and can seize the taxpayer's assets to pay the debt once enough time has passed. The same holds true with tax liens.

Without question, people must pay taxes on property they own to their local governments. If they do not pay when these taxes are due, they will be charged penalties plus interest on the unpaid taxes. If delinquent taxpayers fail to pay their property taxes after a certain amount of time, they will lose their property to the government or to you, if you hold the tax lien certificate to the land.

An important point to remember is that as the holder of the tax lien certificate, you will not be responsible for pursuing the delinquent taxpayer to get him to pay you back his debt to you. That is what the lien is for. Think of it as insurance that protects you against the loss of your money.

Once you purchase a tax lien certificate, you can feel confident that you will not only get the money that you paid for the tax lien back in full, but you will also earn a high interest rate of interest on your investment. Not to mention you might even get to obtain property at unheard-of bargain prices!

If you invested \$3,000 in the stock market, you cannot be sure you will earn a high rate of return over, say, 10%, or, for that matter, any return at all. You could actually lose your hard-earned investment in the stock market!

Most people participate in tax lien sales because the interest rates are much better than those offered in

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savings accounts, mutual funds, Certificates of Deposits, etc. Also, unlike the stock market, you can be sure you will make money by investing in tax liens, which are guaranteed by the government.

Here are a few facts and pointers about tax lien investing:

- Tax liens earn a higher rate of interest than Certificates of Deposit (upwards of 10% and more like 20% to 25% interest!).
- Tax liens are a low-risk investment. 97% of tax liens are eventually paid off in the state that offer them.
- The law is on your side. You are not responsible for pursuing the delinquent property owner to pay you for the tax lien. State law requires that delinquent taxpayers redeem tax liens or risk losing their property.
- If property owners do not pay you back for the tax lien, you can foreclose and own the property after the redemption period, which ranges between 1 to 3 years, and gain valuable real estate for pennies on the dollar.
- Investing in tax liens is very easy, much easier to figure out than investing in the stock market.
- You don't have to have a lot of money to invest in tax liens. You can invest as little as \$100!
- You do not have to live in the state to invest in their tax liens. States that sell tax liens offer them to virtually anyone, anywhere.
- Even if you miss out on a state's scheduled tax sale auction(s), you can still invest in their counties' leftover liens and find some great bargains.

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